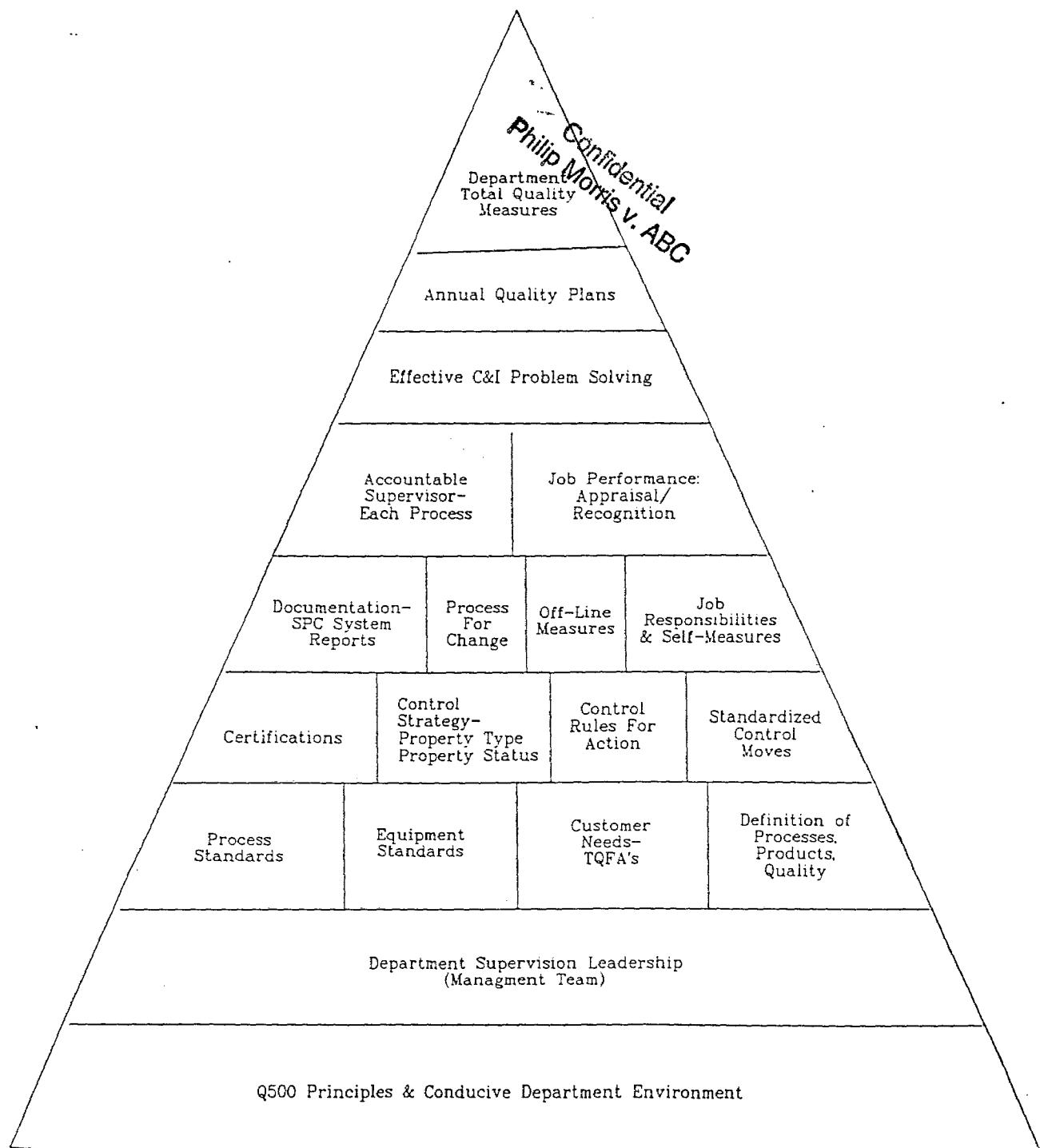


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Systems

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Components of a Departmental SPC System



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**M&E DEPARTMENT SPC SYSTEMS
CURRENTLY IMPLEMENTED**

Maintenance Services Processes

- Issuing Parts - Unplanned Work
- Issuing Parts - Planned Work
- Identifying & Reconciling Inventory Discrepancies from Stockouts at Issue Window Only
- Identifying & Reconciling Inventory Discrepancies from Physical Counts
- Receiving Coded and Non-Coded Parts, Tools & Materials

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R.L. Process Maintenance Processes

- Preventative Maintenance of Packing Equipment
- Repair of Packing Equipment
- Scheduled Repair of the Chevron Discharge Conveyors and Packer Reversing Conveyors

Plant Engineering Processes

- Process for Making, Collecting, Updating and Distributing Electrical and Instrument Document Field Changes
- Developing Engineering Projects
- Updating Provox Software and Documentation
- Updating PLC Software and Documentation

Maintenance Support Processes - Processes

- Weekly Lubrication and Inspection of Paper Machines
- Maintaining Ash Handling System - Non-Emergency Work

QUALITY PLAN
Part C

Process: RL Maintenance

Revision Date: 4/21/93

Off-Line Measured	Monitoring Method	How Measured	Units	Who	Monitoring Frequency	X	UCLx	LCLx
1. Scheduled Work Utilization Rate (M.R./S.P./Blend.)	Control Chart	Man Hours Worked on Scheduled Jobs Man Hours Available for Scheduled Jobs	%	Area Maint. Supt	Weekly			
2. Standards Performance of "Overall" Processes	Pareto	Count of Occurrences	#	Area Planner/ Scheduler	Monthly			
3. Mean Time Between Maint. Actions- Packers	Control Chart	Date & Time of Current W.O. Minus Date & Time of Previous W.O.	#	Assigned Maint. Supv	Weekly			
4. No. of W.O.'s Closed Without Time Charged	Control Chart	Total Count of All Areas	#	Dept. SPC Specialist	Monthly			

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QUALITY PLAN

Part C

Maintenance Services

Process:

Revision Date: 10/7/92

Off-Line Measure	Monitoring Method	How Measured	Units	Who	Monitoring Frequency	\bar{X}	UCLx	LCLx
Total No. of Receipts	Control Chart	Total No. of Receipts (Coded & Non-Coded) <ul style="list-style-type: none"> • Coded • Non-Coded • SPO • X Orders • Direct Materials 	No. of Receipt Transactions	Supervisor	Weekly			
Pareto of Standards Performance	Pareto	No. of Off-Standards by Standard Code	Total No. of Occurrences	Supervisor	Monthly			
Total No. of Issue Transactions	Control Chart	No. of Issue Transactions per Week	Number of Transactions	Issue Desk Coordinator	Weekly			
Rate of Planned Jobs	Control Chart	No. of Planned Issue Tickets $\frac{\text{Total No. of Issue Tickets minus No. of Credit Issue Tickets}}{\text{Total No. of Issue Tickets}}$	%	Issue Desk Coordinator	Weekly			
Stockout Rate	Control Chart	$\frac{\text{No. of Stockouts}}{\text{Total No. of Issue Transactions}}$	%	Supervisor	Monthly			

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QUALITY PLAN
Part C

Maintenance Services

Process:

Revision Date: 10/7/92

Off-Line Measure	Monitoring Method	How Measured	Units	Who	Monitoring Frequency	X	UCLx	LCLx
Inventory Accuracy Rate of Coded PTM	Control Chart	<p>No. of Discrepancies Total No. of Inventory Items that are Counted</p> <ul style="list-style-type: none"> • Cycle Counts • Stockout Counts • Daily Receipts Counts • Special Request Counts $(A/B - 1) \times 100 = C$ <p>ABC Control Matrix</p>	%	Technical Clerk	Monthly			

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ENGINEERING
QUALITY PLAN
Part C

Revision Date: 4/21/93

Off-Line Measure	Monitoring Method	How Measured	Units	Who	Monitoring Frequency	X	UCLx	LCLx
Pareto of Standards Performance	Pareto	No. of Off-Standards by Standard Code	No. of Occurrences	Dept. SPC Specialist	Monthly	---	---	---
Project Scope Changes	Control Chart	Total Number of Changes to Approved Project Scopes	Count	Engineering Superintendent	Monthly			

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MAINTENANCE QUALITY PLAN

Part C

PROCESS: Ash Handling System

Revision Date: 3/30/93

Off-Line Measure	Monitoring Method	How Measured	Units	Who	Monitoring Frequency	X	UCLx	LCLx
1. # of W.O.'s Generated for Unscheduled Repairs	Control Chart	Count of Work Orders for unscheduled repairs	#	Power House Maintenance Supv.	Monthly			
2. % of W.O.'s Generated for Unscheduled Repairs	Control Chart	$\frac{\text{# of W.O.'s for Unscheduled Repairs}}{\text{Total # of W.O.'s for Repairs}}$	%	Power House Maintenance Supv.	Monthly			
3. Standards Performance	Pareto	Count of Off-Standard Occurrences by Std. Code	#	SPC Specialist	Monthly			

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MAINTENANCE QUALITY PLAN

Part C

PROCESS: Lubrication/Inspection of Paper Machines

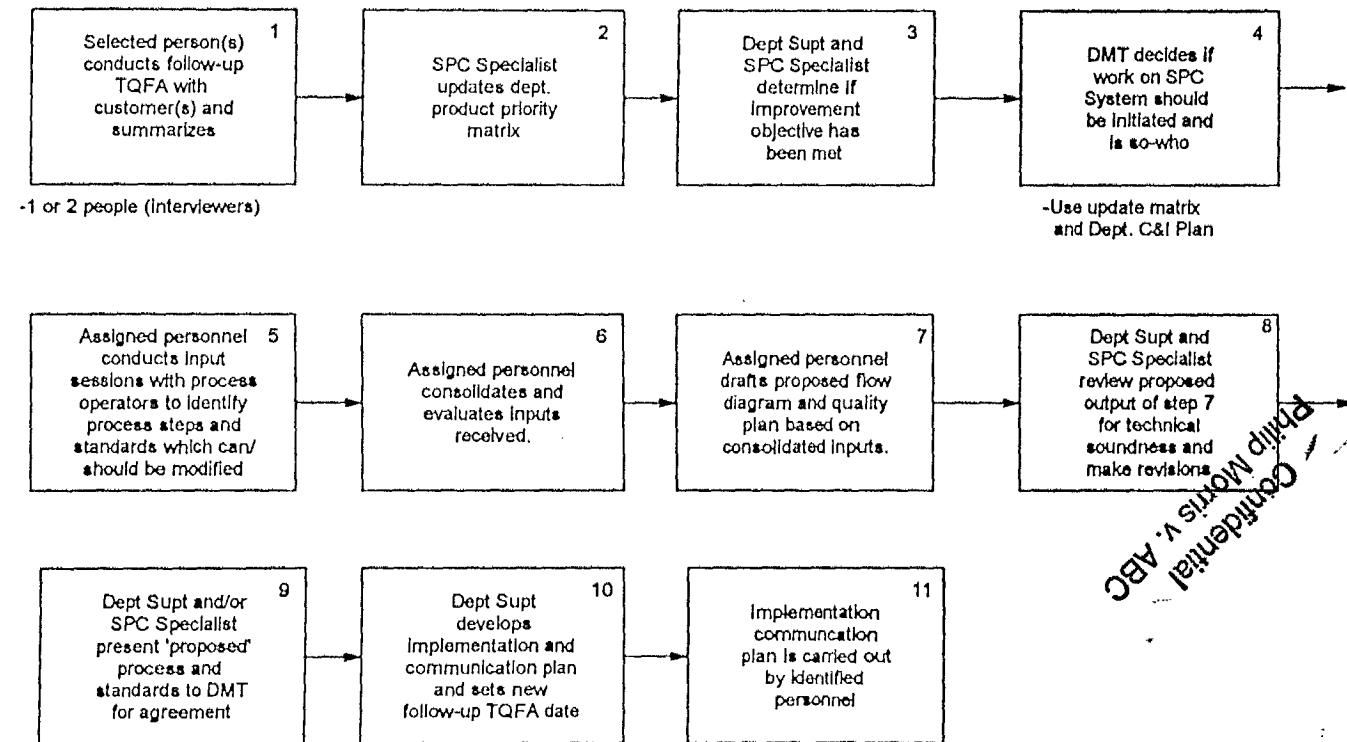
Revision Date: 3/30/93

Off-Line Measure	Monitoring Method	How Measured	Units	Who	Monitoring Frequency	<input checked="" type="checkbox"/> X	UCLx	LCLx
1. Total # of Off-Standard Occurrences	Control Chart	Count of Off-Standard Occurrences	#	L/I Supervisor	Weekly			
2. Standards Performance	Pareto	Count of Off-Standard Occurrences by Std. Code	#	SPC Specialist	Monthly			

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PROCESS FOR REVISING CURRENT DEPT. SPC SYSTEMS BASED ON FOLLOW-UP T.Q.F.A.'S



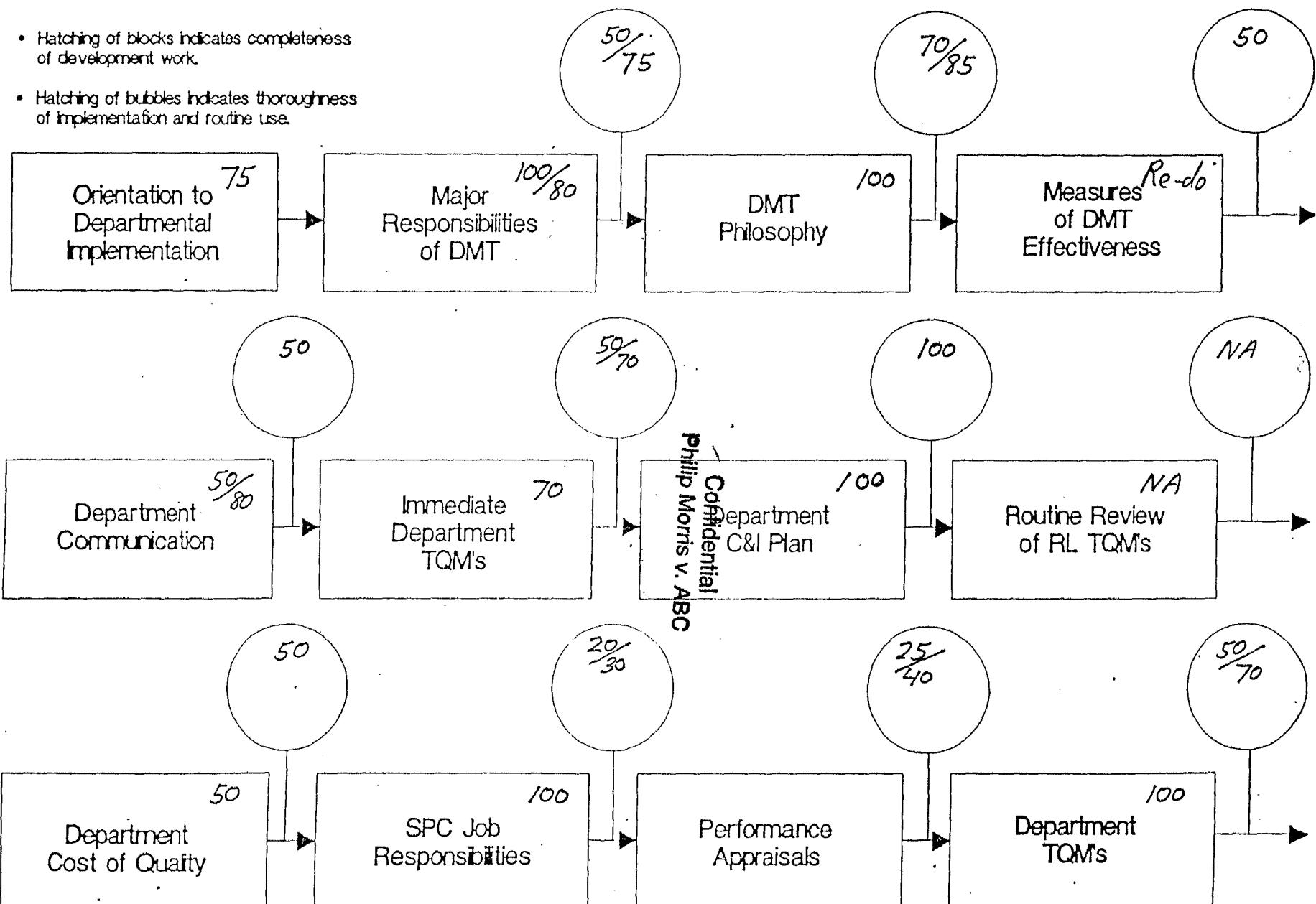
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Implementation

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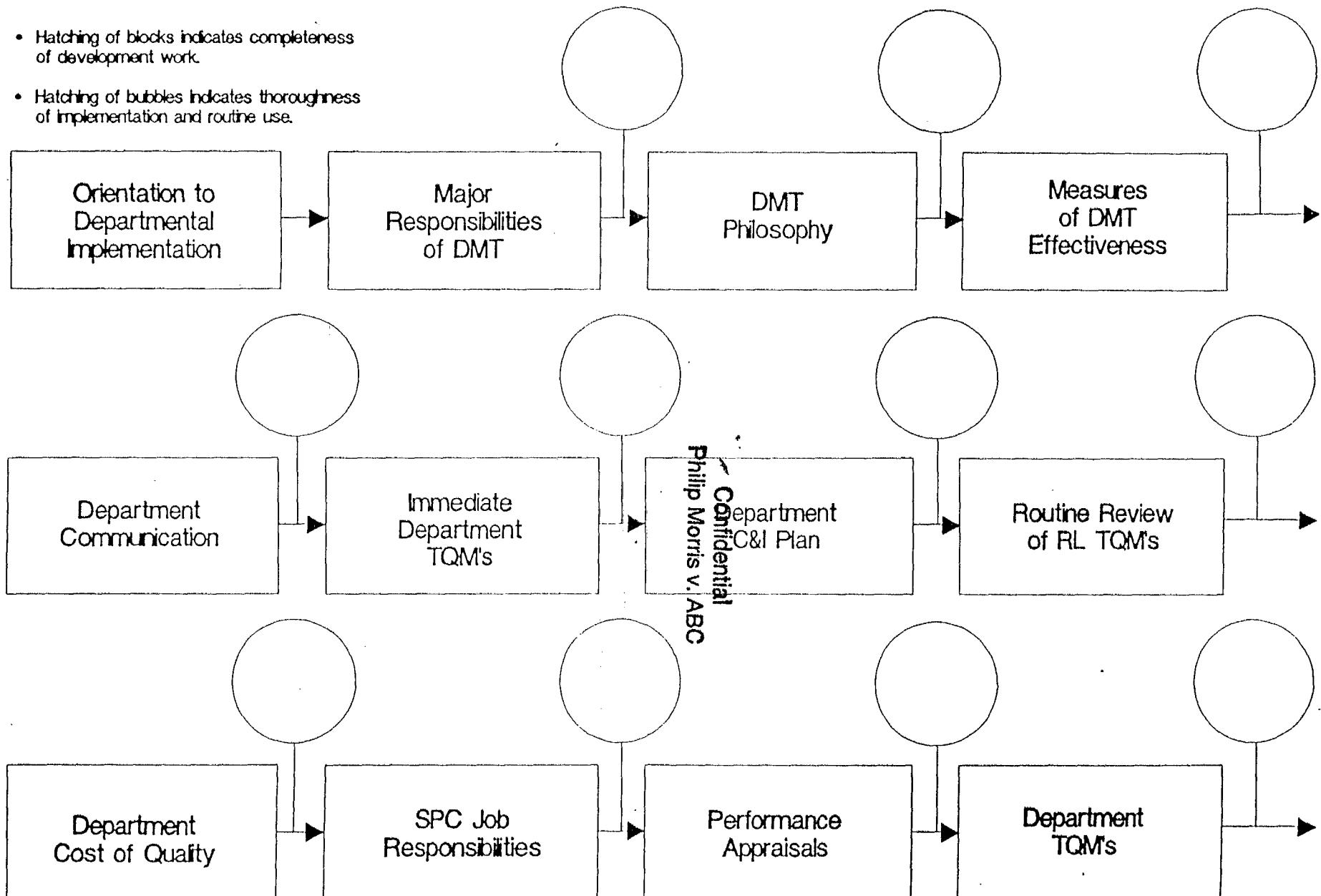
Department Management Team Development & Implementation Activities

- Hatching of blocks indicates completeness of development work.
- Hatching of bubbles indicates thoroughness of implementation and routine use.



Department Management Team Development & Implementation Activities

- Hatching of blocks indicates completeness of development work.
- Hatching of bubbles indicates thoroughness of implementation and routine use.



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M. & E. D.M.T. M.O.E. *Philip Morris v. ABC* Confidential

What	How	Frequency
Conformance to time-table for C&I Teams	% of Teams on schedule (X chart)	Monthly
Dept. TQM's Performance	% of TQM's demonstrating improved performance from last measure (X chart)	Quarterly
RL Equip. Standards Performance	Pareto Analysis	Quarterly
Diversity of M&E C&I Teams	Demographic analysis on % utilization of minorities (X chart)	Quarterly
# of Dept. personnel on SIT C&I Teams	Total count of all teams (C/X chart)	Monthly
# of SIT C&I Teams lead/accountable by M&E	Total count of all Teams (C/X chart)	Monthly
	2030284048	

RL EQUIPMENT STANDARDS DEVELOPMENT
PLANNING AND MONITORING
S.I.T. C & I # 65
(Stock Prep & Blending Areas)

FUNCTION	ACTIVITIES	START DATE	END DATE	WHO	AS OF 4/14/94 % COMPLETE
Equipment Standards Development	Select Equipment Standards Development Team (ESDT)	4/11/94	4/15/94	LBM/JMC/GWR	90%
	Orientation/Training of ESDT on Equipment Stds., RL Process, RL Process SPC System	4/19/94		DLB	0%
	Gather background data: RL TQM's, Off-line Measures, Equipment histories, PM Data, Downtime Data	4/20/94	Ongoing	DLB	0%
	Train & prepare ESDT to conduct brainstorming on recommendations for equipment standards with key Prod. and Maint. personnel.	4/26/94	4/26/94	DLB	0%
	Conduct brainstorming by process stage - potential equipment standards	4/27/94	5/10/94	Team	0%
	ESDT reviews inputs & develops recommended equipment standards list	5/17/94	5/20/94	Team	0%
	ESDT completes quality plan (frequency, value, benefit, etc.) documentation	5/24/94	5/27/94	Team	0%
	Develop Implementation Plan		6/6/94	Team	0%
	ESDT presents equipment stds. Quality Plan to SIT for approval		6/8/94	LBM	0%
	Modify SPC System Reports	N/A	N/A	N/A	N/A
	ESDT trains all affected personnel on equipment standardization	6/9/94	6/29/94	Team	0%

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RL EQUIPMENT STANDARDS DEVELOPMENT
PLANNING AND MONITORING
S.I.T. C & I # 65
(Stock Prep & Blending Areas)

FUNCTION	ACTIVITIES	START DATE	END DATE	WHO	AS OF 10/7/93 % COMPLETE
Equipment Standards Development (Continued)					
	Implement Equipment Standards	6/30/94		Team	0%
	Identify how Quality Plan is working (Debug, support)	6/30/94	7/28/94	Team	0%
	Disband Team		7/29/94	LBM	

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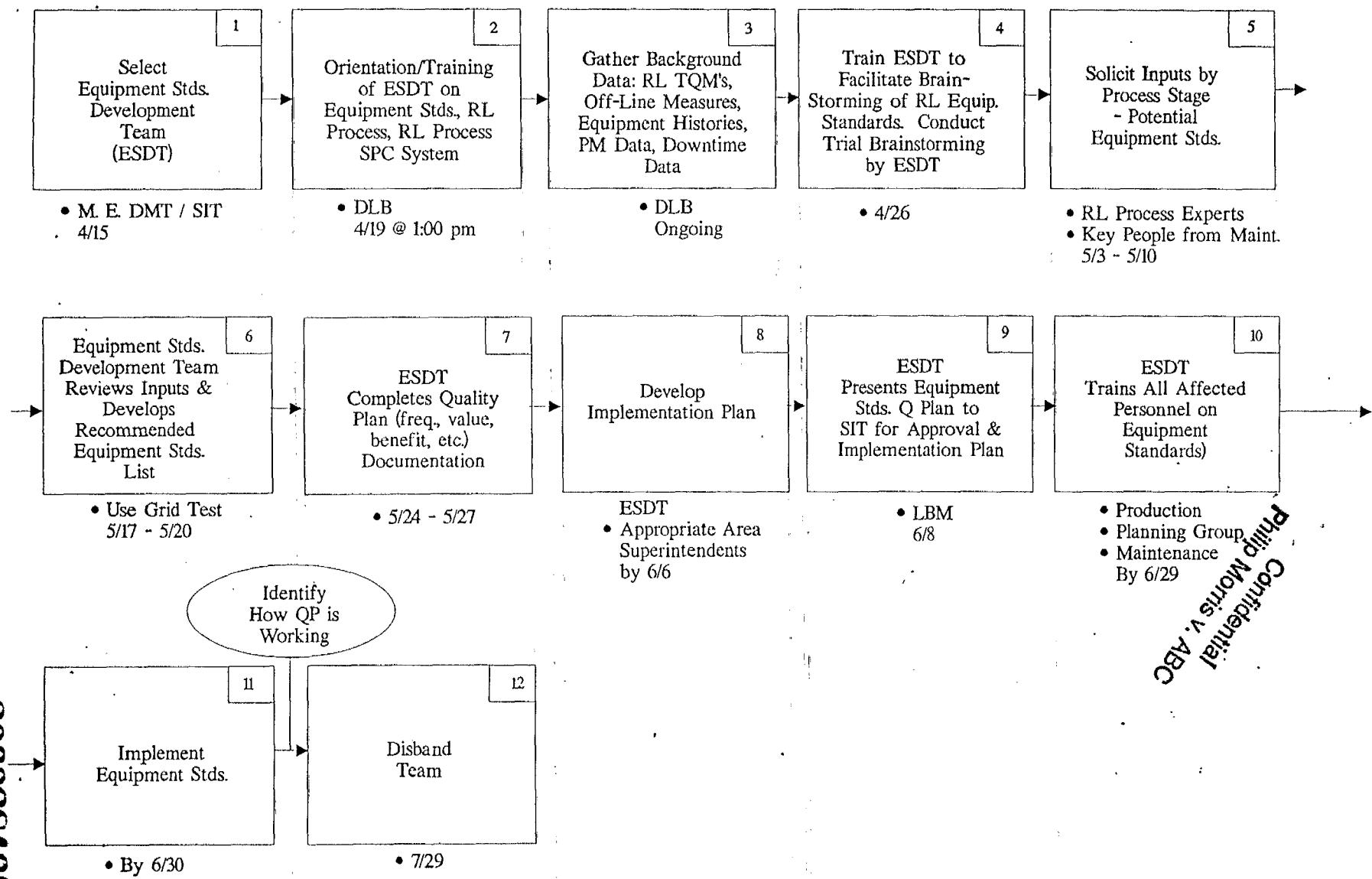
**POWER HOUSE EQUIPMENT STANDARDS DEVELOPMENT
PLANNING AND MONITORING**

FUNCTION	ACTIVITIES	START DATE	END DATE	WHO	AS OF 4/18/94 % COMPLETE
Equipment Standards Development	Select Equipment Standards Development Team	4/18/94	4/20/94	ELH/DCG	100%
	Orientation/Training of PHEST on Equipment Stds.	4/25/94	4/25/94	Team	0%
	Gather background data	4/25/94	5/9/94	DCG	0%
	PHEST reviews inputs & develops recommended equipment standards list	5/2/94	5/2/94	Team	0%
	PHEST completes quality plan (frequency, value, benefit, etc.) documentation	5/2/94	5/16/94	Team	0%
	Develop Implementation Plan	5/2/94	5/16/94	ELH/DCG	0%
	PHEST presents equipment stds. Quality Plan to ENPH-DMT/QC for approval	5/19/94	5/19/94 - ENPH-DMT 5/24/94 - QC	ELH ELH	0% 0%
	Modify SPC System Reports	N/A	N/A	N/A	N/A
	PHEST trains all affected personnel on equipment standardization	6/6/94	6/10/94	Team/Area Management	0%
	Implement Equipment Standards	6/13/94	6/13/94	Team	0%
	Identify how Quality Plan is working (Debug, support)	6/13/94	6/13/94	Team	0%
	Disband Team		6/20/94	ELH	0%

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PROCESS EQUIPMENT STANDARDS DEVELOPMENT PROCESS STOCK PREP AND BLENDING



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Responsibilities

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Position: Superintendent Job Responsibilities

Job Responsibilities

1. Meet with Supervisor to monitor and assist with problem solving, necessary changes or actions being taken based on off-line measure on their assigned processes.
2. Meet with M&E SPC Specialist to discuss chronic problems as indicated by on-line and off-line measures; develop action plans.
3. Monitor and communicate the progress of the department's use of the Employee Input Form for improving processes and SPC Systems.
4. With Supervisor, review performance of work begin done and problems with control and improvement of their assigned processes.
5. Ensure successful supplier/customer relationships and communications are maintained.
6. Facilitate periodic customer review sessions including the conducting of TQFA's annually.
7. Maintain knowledge of most recent customer feedback on all key department products.
8. Assure appropriate allocations of department resources for control, improvement and development of department products, processes and SPC Systems.
9. Ensure TQM System functions successfully and efficiently.
10. Assist the Department Management Team in identifying prioritizing and monitoring the C&I problem-solving activities.
11. Assist in the development of the Department Annual Quality Plan and communication of progress.
12. Routinely evaluate the performance of SPC Job Responsibilities by direct reports; coach and ensure that their SPC Job Responsibilities are being followed successfully.
13. Ensure that the performance of SPC Job Responsibilities is reflected in the performance appraisal of all department employees.
14. Identify the need for and initiate actions on the development of additional SPC Systems and new products.

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Position: Maintenance and Engineering Department SPC Specialist

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SPC Job Responsibilities

1. Maintain all departmental SPC Systems data and documentation in an organized manner.
2. Maintain Quality Plans, Parts A, B, and C, for all departmental SPC Systems and ensure most recent Plans are being used by personnel.
3. Keep a communications link with Quality Services on departmental data analysis needs and status.
4. Coordinate activities created by approval of M&E SPC process for changes.
5. As the department expert, provide assistance and training as needed for all C&I work. (Lead no more than one team at a time.)
6. Meet with Superintendent to discuss control problems, off-standard conditions, unresolved problem-solving efforts, and make recommendations for C&I Plan.
7. Maintain knowledge of most recent customer feedback on all key products. Train and coach department employees in routinely evaluating product improvement needs through the use of TQFA's.
8. Serve on DMT, assist in the use of Q500 Principles, tools, and techniques when conducting DMT business.
9. Document success stories for departmental and plantwide communications. (Utilize Quality Services Communications Coordinator.)
10. Coordinate the activities for developing and maintaining department TQM's.
11. Participate in the development of department Annual Quality Plans and carry out team member assignments.
12. Through coaching and counseling, reinforce the department's understanding and use of the tools, techniques, Principles of Q500, and the Q4 Manual.
13. Support improvement efforts on current departmental SPC Systems through the use of the Employee Input Form.
14. Initiate and assist DMT in the development of new products and SPC Systems for the department.

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Engineering

Insert 4-17A

Position: Maintenance Supervisor

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SPC Job Responsibilities

1. Perform each process step according to process flow diagram and Quality Plan. Document any deviations on the off-standard log.
2. React promptly to off-standard conditions and record corrective actions taken on off-standard log.
3. Inform customer and Superintendent of possible impacts due to off-standard conditions.
4. Perform certifications as specified on the Quality Plan. Document any deviations on the off-standard log.
5. At the beginning of shift, review SPC System status and discuss with off-going Maintenance Supervisor.
6. Ensure that internal communications are timely and effective.
7. Individually or working with the Superintendent or Process Operators through real-time problem solving, determine root causes of off-standard and remedy.
8. Use and encourage/support the use of the Employee Input Forms for improving process and SPC Systems.
9. Actively participate on and lead PDCA problem solving efforts as designated.
10. Maintain knowledge of most recent customer TQFA feedback on key department products.
11. Provide input to Department Management Team on additional needs of current SPC System(s).
12. Meet with Superintendent and Department SPC Specialist to discuss chronic control problems, standards, unresolved problem solving, and recommend additions to C&I Plan.
13. Routinely evaluate the performance of SPC Job Responsibilities by direct reports; coach and ensure that their SPC Job Responsibilities are being followed successfully.
14. Participate in the development of new department products, processes, and SPC Systems.
15. Collect, record and plot data required for off-line measures on the SPC System Report(s).

Insert 4-17A

RL Maintenance

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Position: Maintenance Planner/Scheduler

SPC Job Responsibilities

1. Perform each process according to process flow diagram and Quality Plan, document any deviations on the off-standard log.
2. If standards cannot be met, either "A" or "Q status", fill out the off-standard log, and begin actions for return to standard or notify person accountable for taking corrective action.
3. Contact Supervisor for assistance in resolving off-standard or equipment problems as needed.
4. Inform customer and Supervisor of possible impacts due to off-standard conditions.
5. Perform certifications as specified on the Quality Plan. Document any deviations on the off-standard log.
6. Individually or with Supervisor thorough real-time problem solving, determine root causes of off-standards and remedy.
7. Using the Employee Input Form, submit ideas on ways to improve processes and SPC Systems (changes, deletions, and additions to Quality Plans).
8. Actively participate on C&I problem-solving teams.
9. Maintain knowledge of most recent customer TQFA feedback on products that you are involved in producing.
10. Assist in the development of new department products, processes, and SPC Systems.
11. Collect, record, and plot data required for off-line measures on the SPC System report(s).

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PROCESS OPERATOR SPC JOB RESPONSIBILITIES

1. Perform process steps according to process flow diagram; document any deviations.
2. If standards cannot be met, fill out the off-standard log and begin actions for returning to standard or notify person accountable for taking corrective action.
3. Routinely review the list of "Q" Status Standards and maintain these Standards when performing the process. If off-standard conditions are observed, document on the off-standard log.
4. Notify Supervisor or appropriate person(s) based on quality plans of off-standard conditions.
5. Contact Supervisor or appropriate person(s) based on quality plans for assistance in resolving off-standard as needed.
6. Perform Certifications at prescribed frequency using approved procedures.
7. Using the Employee Input Form, submit ideas on ways to improve department processes and SPC Systems (changes, deletions, and additions to Standards and Certifications).
8. Participate in C&I Problem Solving.

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Position: Engineer

SPC Job Responsibilities

1. Follow process flow on implemented SPC Systems, document off-standard situations and other required information in Quality Plan. Ensure certifications are met where needed at approved frequency.
2. Resolve off-standard or equipment problems as needed. Inform customer of possible impacts due to off-standard conditions.
3. Initiate problem solving on chronic off-standard conditions, determine root causes of off-standards and remedy.
4. Actively contribute and lead PDCA problem-solving efforts as designated.
5. Maintain knowledge of most recent Customer TQFA feedback on all key department products.
6. Provide input via the Employee Input Form to Department Management Team on additional needs of current SPC System.
7. Meet with Superintendent and Department SPC Specialist to discuss chronic control problems, standards, unresolved problem solving, and recommend additions to C&I Plan.
8. Routinely evaluate the performance of SPC Job Responsibilities by direct reports; coach and ensure that their SPC Job Responsibilities are being followed successfully.
9. Participate in the development of new department products, processes, and SPC Systems.
10. Collect and plot data required for off-line measures on the SPC System Report.

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Position: Engineering Designer

SCP Job Responsibilities

1. Follow process flow on implemented SPC Systems, document off-standard situations and other required information in Quality Plan. Ensure certifications are met where needed at approved frequency.
2. Resolve off-standard or equipment problems as needed. Inform customer of possible impacts due to off-standard conditions.
3. Initiate problem solving on chronic off-standard conditions, determine root causes of off-standards and remedy.
4. Actively contribute and lead PDCA problem-solving efforts as designated.
5. Maintain knowledge of most recent Customer TQFA feedback on all key department products.
6. Provide input via the Employee Input Form to Department Management Team on additional needs of current SPC Systems.
7. Meet with Superintendent and Department SPC Specialist to discuss chronic control problems, standards, unresolved problem solving, and recommend additions to C&I Plan.
8. Participate in the development of new department products, processes, and SPC Systems.
9. Collect and plot data required for off-line measures on the SPC System Report.

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Position: Engineering Documents Administrator

SPC Job Responsibilities

1. Follow process flow on implemented SPC Systems, document off-standard situations and other required information in Quality Plan. Ensure certifications are met where needed at approved frequency.
2. Resolve off-standard or equipment problems as needed. Inform customer of possible impacts due to off-standard conditions.
3. Initiate problem solving on chronic off-standard conditions, determine root causes of off-standards and remedy.
4. Actively contribute and lead PDCA problem-solving efforts as designated.
5. Maintain knowledge of most recent Customer TQFA feedback on all key department products.
6. Provide input via the Employee Input Form to Department Management Team on additional needs of current SPC System.
7. Meet with Superintendent and Department SPC Specialist to discuss chronic control problems, standards, unresolved problem solving, and recommend additions to C&I Plan.
8. Participate in the development of new department products, processes, and SPC Systems.
9. Collect and plot data required for off-line measures on the SPC System Report.

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Engineering

Position: Stockroom Supervisor Job Responsibilities

Job Responsibilities

1. Perform process steps according to process flow diagram and Quality Plans document any deviations on SPC System reports.
2. React promptly to off-standard conditions and record on off-standard log.
3. Inform customer and Superintendent of possible impacts due to off-standard conditions.
4. Perform certifications at prescribed frequency using approved procedures.
5. At the beginning of shift review SPC System status and discuss with off-going Issue Window Coordinator.
6. Ensure that internal communications are timely and effective.
7. Individually or working with the Superintendent or Process Operators through real-time problem solving, determine root causes of off-standard and remedy.
8. Use and encourage/support the use of the Employee Input Forms for improving process and SPC Systems.
9. Actively contribute and lead PDCA problem-solving efforts as designated.
10. Maintain knowledge of most recent customer TQFA feedback on all key department products.
11. Provide input to Department Management Team on additional needs of current SPC System.
12. Meet with Superintendent and Department SPC Specialist to discuss chronic control problems, standards, unresolved problem solving, and recommend additions to C&I Plan.
13. Routinely evaluate the performance of SPC Job Responsibilities by direct reports; coach and ensure that their SPC Job Responsibilities are begin followed successfully.
14. Participate in the development of new department products, processes and SPC Systems.
15. Collect and plot data required for off-line measures on the SPC System report.

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04

Entered 4/7/04

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Position: Inventory Analyst Job Responsibilities

Job Responsibilities

1. Perform process according to process flow diagram and Quality Plan; document any deviations on off-standard log.
2. If standards cannot be met, fill out the off-standard log, and begin actions for return to standard or notify person accountable for taking corrective action.
3. Routinely review the list of "Q" Status standards and maintain these standards when performing the process. If off-standard conditions are observed, document on the off-standard log.
4. Contact Supervisor for assistance in resolving off-standard or equipment problems as needed.
5. Inform customer and Supervisor of possible impacts due to off-standard conditions.
6. Perform certifications at prescribed frequency using approved procedures.
7. Individually or with Supervisor through real-time problem solving, determine root causes of off-standards and remedy.
8. Using the Employee Input Form, submit ideas on ways to improve process and SPC System (changes, deletions and additions to standards and certifications).
9. Actively contribute and lead PDCA problem-solving efforts as designated.
10. Maintain knowledge of most recent customer TQFA feedback on products that you are involved in producing.
11. Assist in development of department products, processes and new SPC Systems.

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Q4

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Position: Issue Desk Coordinator Job Responsibilities

Job Responsibilities

1. Perform process according to process flow diagram and Quality Plan; document any deviations on off-standard log.
2. If standards cannot be met, fill out the off-standard log, and begin actions for return to standard or notify person accountable for taking corrective action.
3. Routinely review the list of "Q" Status standards and maintain these standards when performing the process. If off-standard conditions are observed, document on the off-standard log.
4. Contact Supervisor for assistance in resolving off-standard or equipment problems as needed.
5. Inform customer and Supervisor of possible impacts due to off-standard conditions.
6. Perform certifications at prescribed frequency using approved procedures.
7. Individually or with Supervisor through real-time problem solving, determine root causes of off-standards and remedy.
8. Using the Employee Input Form, submit ideas on ways to improve process and SPC System (changes, deletions and additions to standards and certifications).
9. Actively contribute to C&I problem-solving teams.
10. Maintain knowledge of most recent customer TQFA feedback on products that you are involved in producing.
11. Assist in development of department products, processes and new SPC Systems.
12. Collect and plot data required for off-line measures on SPC System report.

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Position: Issue Window Coordinator Job Responsibilities

Job Responsibilities

1. Perform process according to process flow diagram and Quality Plan; document any deviations on off-standard log.
2. If standards cannot be met, fill out the off-standard log, and begin actions for return to standard or notify person accountable for taking corrective action.
3. Routinely review the list of "Q" Status standards and maintain these standards when performing the process. If off-standard conditions are observed, document on the off-standard log.
4. Contact Supervisor for assistance in resolving off-standard or equipment problems as needed.
5. Inform customer and Supervisor of possible impacts due to off-standard conditions.
6. Perform certifications at prescribed frequency using approved procedures.
7. Individually or with Supervisor through real-time problem solving, determine root causes of off-standards and remedy.
8. Using the Employee Input Form, submit ideas on ways to improve process and SPC System (changes, deletions and additions to standards and certifications).
9. Actively contribute to C&I problem-solving teams.
10. Maintain knowledge of most recent customer TQFA feedback on products that you are involved in producing.
11. Assist in development of department products, processes and new SPC Systems.

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Position: Receiving Coordinator Job Responsibilities

Job Responsibilities

1. Perform process according to process flow diagram and Quality Plan; document any deviations on off-standard log.
2. If standards cannot be met, fill out the off-standard log, and begin actions for return to standard or notify person accountable for taking corrective action.
3. Routinely review the list of "Q" Status standards and maintain these standards when performing the process. If off-standard conditions are observed, document on the off-standard log.
4. Contact Supervisor for assistance in resolving off-standard or equipment problems as needed.
5. Inform customer and Supervisor of possible impacts due to off-standard conditions.
6. Perform certifications at prescribed frequency using approved procedures.
7. Individually or with Supervisor through real-time problem solving, determine root causes of off-standards and remedy.
8. Using the Employee Input Form, submit ideas on ways to improve process and SPC System (changes, deletions and additions to standards and certifications).
9. Actively contribute to C&I problem-solving teams.
10. Maintain knowledge of most recent customer TQFA feedback on products that you are involved in producing.
11. Assist in development of department products, processes and new SPC Systems.
12. Document off-line measurement data and forward to Stockroom Supervisor in a timely manner.

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Position: Relief Coordinator Job Responsibilities

Job Responsibilities

1. Perform process according to process flow diagram and Quality Plan; document any deviations on off-standard log.
2. If standards cannot be met, fill out the off-standard log, and begin actions for return to standard or notify person accountable for taking corrective action.
3. Routinely review the list of "Q" Status standards and maintain these standards when performing the process. If off-standard conditions are observed, document on the off-standard log.
4. Contact Supervisor for assistance in resolving off-standard or equipment problems as needed.
5. Inform customer and Supervisor of possible impacts due to off-standard conditions.
6. Perform certifications at prescribed frequency using approved procedures.
7. Individually or with Supervisor through real-time problem solving, determine root causes of off-standards and remedy.
8. Using the Employee Input Form, submit ideas on ways to improve process and SPC System (changes, deletions and additions to standards and certifications).
9. Actively contribute to C&I problem-solving teams.
10. Maintain knowledge of most recent customer TQFA feedback on products that you are involved in producing.
11. Assist in development of department products, processes and new SPC Systems.

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Q4

Insert 4-17A

Position: Technical Clerk/File Room Coordinator Job Responsibilities

Job Responsibilities

1. Perform process according to process flow diagram and Quality Plan; document any deviations on off-standard log.
2. If standards cannot be met, fill out the off-standard log, and begin actions for return to standard or notify person accountable for taking corrective action.
3. Routinely review the list of "Q" Status standards and maintain these standards when performing the process. If off-standard conditions are observed, document on the off-standard log.
4. Contact Supervisor for assistance in resolving off-standard or equipment problems as needed.
5. Inform customer and Supervisor of possible impacts due to off-standard conditions.
6. Perform certifications at prescribed frequency using approved procedures.
7. Individually or with Supervisor through real-time problem solving, determine root causes of off-standards and remedy.
8. Using the Employee Input Form, submit ideas on ways to improve process and SPC System (changes, deletions and additions to standards and certifications).
9. Actively contribute to C&I problem-solving teams.
10. Maintain knowledge of most recent customer TQFA feedback on products that you are involved in producing.
11. Assist in development of department products, processes and new SPC Systems.
12. Collect and plot data required for off-line measures on the SPC System report.

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Position: Tool Room Coordinator Job Responsibilities

Job Responsibilities

1. Perform process according to process flow diagram and Quality Plan; document any deviations on off-standard log.
2. If standards cannot be met, fill out the off-standard log, and begin actions for return to standard or notify person accountable for taking corrective action.
3. Routinely review the list of "Q" Status standards and maintain these standards when performing the process. If off-standard conditions are observed, document on the off-standard log.
4. Contact Supervisor for assistance in resolving off-standard or equipment problems as needed.
5. Inform customer and Supervisor of possible impacts due to off-standard conditions.
6. Perform certifications at prescribed frequency using approved procedures.
7. Individually or with Supervisor through real-time problem solving, determine root causes of off-standards and remedy.
8. Using the Employee Input Form, submit ideas on ways to improve process and SPC System (changes, deletions and additions to standards and certifications).
9. Actively contribute to C&I problem-solving teams.
10. Maintain knowledge of most recent customer TQFA feedback on products that you are involved in producing.
11. Assist in development of department products, processes and new SPC Systems.

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2030284069

Q4

Insert 4-17A

PM USA

ADMINISTRATIVE COMPETENCY MODEL

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ACCOUNTABILITY (A)

Demonstrates personal responsibility for decisions, actions, and work outcomes.

1. Accepts responsibility for one's actions.
2. Makes prompt decisions within the scope of job; does not push decisions to higher levels unnecessarily.
3. Follows through; ensures assignments are completed.
4. Ensures that work performed and information provided is timely and accurate.
5. Handles confidential materials/information appropriately.
6. Prudently utilizes Company's resources.

COMMUNICATION (C)

Communicates clearly, articulately, and impactfully.

1. Expresses oneself clearly and succinctly.
2. Adjusts communication style to situation and audience.
3. Writes in an understandable, concise, and grammatically correct style.
4. Proofs and edits written communications.
5. Actively listens.

INITIATIVE (I)

Proactively works to improve effectiveness.

1. Questions established practices and management appropriately.
2. Pursues and takes action on opportunities for improvement.
3. Proactively offers opinions and innovative ideas.
4. Takes on responsibility and completes assignments without direction or supervision.
5. Shares knowledge, information, and expertise with others.
6. Overcomes bureaucratic obstacles.

INTERPERSONAL ABILITY (IA)

Collaborates effectively with others.

1. Interacts with others in a courteous and helpful manner.
2. Uses tact.
3. Remains objective.
4. Works with others constructively to achieve goals.
5. Reads and responds to verbal and non-verbal cues.
6. Supports and participates in creating a team environment.
7. Builds and maintains constructive working relationships.
8. Demonstrates sensitivity to the needs, individuality, and diversity of others.

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ORGANIZATIONAL ASTUTENESS (OA)

Constructively leverages departmental and personal relationships to enhance effectiveness.

1. Capitalizes on a network of positive working relationships.
2. Uses knowledge of who has information, answers, and influence in the organization to accomplish tasks.
3. Uses knowledge of the roles and functions of different departments and how they interrelate.

PLANNING and ORGANIZING (PO)

Plans, organizes, and prioritizes.

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1. Plans work activities.
2. Prioritizes work activities.
3. Develops contingency plans to ensure task completion.
4. Maintains work materials in an organized, easily retrievable fashion.
5. Manages work requests from multiple sources.
6. Develops and uses work processes which ensure efficient work flow and task completion.
7. Manages time effectively.

RESOURCEFULNESS (R)

Analyzes problems and develops optimal solutions that maximize performance.

1. Demonstrates a short learning curve; quickly comprehends and recalls information.
2. Analyzes and interprets information thoroughly and accurately.
3. Gathers necessary information to complete assignments.
4. Identifies resources and alternatives.
5. Develops creative solutions to work problems.
6. Exercises sound judgment.

WORK ORIENTATION (WO)

Models Company commitment, enthusiasm, versatility and high work standards.

1. Willingly makes personal sacrifices for the Company when needed.
2. Consistently exerts a high level of effort.
3. Demonstrates persistence and tenacity in pursuit of objectives.
4. Embraces change and demonstrates flexibility.
5. Supports new alternatives and solutions.
6. Challenges oneself; pursues continuous learning.
7. Adapts to high pressure and uncertain situations.
8. Maintains a positive and professional approach towards work and the organization.

2030284071

Management Competency Model

Philip Morris V. A.P.C. Confidential

BUSINESS INTEGRATION (BI)

Demonstrates an awareness of the company's business and the environment in which we operate.

1. Understands business plans and objectives.
2. Stays abreast of emerging trends and external forces affecting the business.
3. Integrates department plans with company objectives.
4. Defines and articulates department roles and responsibilities in relationship to the larger organization.
5. Determines and communicates work priorities to staff, customers, and management.
6. Maintains focus on critical departmental goals.

COMMUNICATION (C)

Communicates clearly, articulately and impactfully.

1. Expresses ideas and gives direction to others clearly and succinctly.
2. Delivers effective presentations.
3. Persuades and sells concepts, programs and positions.
4. Responds convincingly to the objections of others.
5. Adjusts communication style to situation and audience.
6. Writes in an understandable, concise, and grammatically correct style.
7. Effectively summarizes complex information.
8. Actively listens.

INITIATIVE (I)

Proactively works to improve the organization.

1. Challenges the system; does not accept the status quo.
2. Pursues and takes action on opportunities for improvement.
3. Offers innovative ideas.
4. Takes sensible risks.
5. Overcomes bureaucratic obstacles.

INTERPERSONAL ABILITY (IA)

Builds and maintains constructive relationships throughout the organization.

1. Interacts with others in an open, honest and non-threatening manner.
2. Uses tact and remains objective.
3. Works with others in constructive partnerships to achieve team goals.
4. Reads and responds to verbal and non-verbal cues.
5. Demonstrates sensitivity to the needs of others.

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MANAGEMENT ACCOUNTABILITY (MA)

Demonstrates personal responsibility and accountability for decisions and business outcomes.

1. Accepts responsibility for one's actions.
2. Demonstrates a sense of ownership for the goals and actions of the entire organization.
3. Supports decisions of management.
4. Makes prompt decisions within the scope of authority; does not push decisions to higher levels unnecessarily.
5. Promotes accountability in others.
6. Demonstrates fiduciary responsibility.

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ORGANIZATIONAL ASTUTENESS (OA)

Astutely uses knowledge of departmental and personal relationships to further business objectives.

1. Capitalizes on a network of positive working relationships.
2. Gathers and assimilates other's perspectives, agendas and ideas.
3. Uses knowledge of who has influence in the organization based on position, vested interest and connections to further objectives.
4. Supports the organization vertically by judiciously providing timely information.
5. Demonstrates an organizational perspective; uses knowledge of how different departments and levels interrelate to achieve objectives.
6. Negotiates when necessary to achieve objectives (win-win).

PERFORMANCE MANAGEMENT (PM)

Develops and maintains a high performance work team.

1. Establishes clear expectations and deadlines.
2. Explains the purpose and rationale of assignments; shares relevant information.
3. Solicits input; acknowledges and credits the contributions of others.
4. Empowers subordinates by providing them authority and resources.
5. Follows up and provides specific and timely feedback.
6. Assesses and develops subordinates; uses creative methods to improve employee performance.
7. Tactfully and objectively confronts unacceptable performance.

RESOURCEFULNESS (R)

Develops creative, unique and optimal solutions that maximize organizational performance.

1. Demonstrates a short learning curve; quickly assimilates and recalls large quantities of varied information.
2. Detects the important trends, problems and opportunities from complex information.
3. Identifies and weighs alternatives.
4. Asks incisive questions to help solve business problems.
5. Displays ingenuity to solve business problems when established practices are inadequate or not optimal.
6. Exercises sound judgment.

WORK ORIENTATION (WO)

Models company commitment, enthusiasm, versatility and high work standards.

1. Makes personal sacrifices for the company's benefit.
2. Consistently exerts a high level of effort.
3. Demonstrates persistence and tenacity in pursuit of objectives.
4. Embraces change and demonstrates flexibility; supports new alternatives and solutions.
5. Challenges oneself; pursues continuous learning.
6. Adapts to high pressure and uncertain situations.

PM USA
PROFESSIONAL COMPETENCY MODEL

ACCOUNTABILITY (A)

Demonstrates personal responsibility for decisions, actions, and work outcomes.

1. Accepts responsibility for one's actions.
2. Demonstrates ownership for the goals and actions of the work group.
3. Supports decisions of management.
4. Makes prompt decisions within the scope of authority; does not push decisions to higher levels unnecessarily.
5. Supports the efforts of others throughout the organization; does not undermine.
6. Follows through on work commitments.
7. Prudently utilizes Company resources.

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BUSINESS INTEGRATION (BI)

Demonstrates an awareness of the Company's business and the environment in which we operate.

1. Understands business plans and objectives.
2. Stays abreast of factors, trends, and forces that affect the business unit.
3. Integrates work plans with business unit objectives.
4. Understands the roles and functions of different departments and how they interrelate to achieve business objectives.
5. Maintains focus on critical assignments, objectives and goals.

COMMUNICATION (C)

Communicates clearly, articulately, and impactfully.

1. Expresses ideas clearly and succinctly.
2. Delivers effective presentations.
3. Persuades and sells concepts, programs, and positions.
4. Responds convincingly to the objections of others.
5. Adjusts communication style to situation and audience.
6. Writes in an understandable, concise, and grammatically correct style.
7. Effectively summarizes complex information.
8. Actively listens.

INITIATIVE (I)

Proactively works to improve departmental/organizational effectiveness.

1. Challenges management and the system appropriately; does not accept the status quo.
2. Pursues and takes action on opportunities for improvement.
3. Proactively offers opinions and innovative ideas.
4. Takes risks appropriately.
5. Shares knowledge and expertise with others.
6. Overcomes bureaucratic obstacles.

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INTERPERSONAL ABILITY (IA)

Collaborates effectively with others.

1. Interacts with others in an open, honest, and non-threatening manner.
2. Uses tact.
3. Remains objective.
4. Works with others constructively to achieve team goals.
5. Reads and responds to verbal and non-verbal cues.
6. Gives and accepts constructive feedback.
7. Builds and maintains positive working relationships.
8. Constructively confronts and resolves conflict situations.
9. Demonstrates sensitivity to the needs, individuality, and diversity of others.

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ORGANIZATIONAL ASTUTENESS (OA)

Constructively leverages departmental and personal relationships to further business objectives.

1. Capitalizes on a network of positive working relationships.
2. Conveys relevant information to the necessary people on a timely basis.
3. Compromises when necessary to achieve win-win objectives.

PLANNING and ORGANIZING (PO)

Plans, organizes, and prioritizes.

1. Plans work activities to meet objectives.
2. Prioritizes work activities.
3. Develops contingency plans.
4. Maintains work materials in an organized, easily retrievable fashion.
5. Manages time effectively.

RESOURCEFULNESS (R)

Analyzes problems and develops optimal and creative solutions that maximize performance.

1. Demonstrates a short learning curve; quickly assimilates and recalls large quantities of varied information.
2. Accurately analyzes and interprets information from varied sources.
3. Detects important trends.
4. Anticipates problems and opportunities.
5. Accurately determines the root cause of problems.
6. Identifies resources and alternatives.
7. Develops creative solutions to business problems when established practices are inadequate or not optimal.
8. Anticipates and evaluates the consequences of decisions.
9. Exercises sound judgment.

WORK ORIENTATION (WO)

Models Company commitment, enthusiasm, versatility, and high work standards.

1. Willingly makes personal sacrifices for the Company when needed.
2. Consistently exerts a high level of effort.
3. Demonstrates persistence and tenacity in pursuit of objectives.
4. Embraces change and demonstrates flexibility.
5. Supports new alternatives and solutions.
6. Challenges oneself; pursues continuous learning.
7. Adapts to high pressure and uncertain situations.
8. Maintains a positive and professional approach towards work and the organization.

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SUPERVISOR COMPETENCY MODEL

BUSINESS INTEGRATION (BI)

Demonstrates an awareness of the Company's business and the environment in which we operate.

1. Understands business plans and objectives.
2. Stays abreast of factors, trends, and forces that affect the business unit.
3. Integrates work group plans with business unit objectives.
4. Understands the roles and functions of different departments and how they interrelate to achieve business objectives.
5. Maintains focus on critical assignments, objectives and goals.

COMMUNICATION (C)

Communicates clearly, articulately, and impactfully.

1. Expresses ideas and gives direction to others clearly and succinctly.
2. Delivers effective presentations.
3. Persuades and sells concepts, programs, and positions.
4. Responds convincingly to the objections of others.
5. Adjusts communication style to situation and audience.
6. Writes in an understandable, concise, and grammatically correct style.
7. Actively listens.

INITIATIVE (I)

Proactively works to improve the organization.

1. Challenges management and the system appropriately; does not accept the status quo.
2. Pursues and takes action on opportunities for improvement.
3. Proactively offers opinions and innovative ideas.
4. Takes risks appropriately.
5. Overcomes bureaucratic obstacles.

INTERPERSONAL ABILITY (IA)

Collaborates effectively with others.

1. Interacts with others in an open, honest, and non-threatening manner.
2. Uses tact.
3. Remains objective.
4. Works with others constructively to achieve team goals.
5. Reads and responds to verbal and non-verbal cues.
6. Builds and maintains positive working relationships.
7. Constructively confronts and resolves conflict situations.
8. Demonstrates sensitivity to the needs, individuality, and diversity of others.

MANAGEMENT ACCOUNTABILITY (MA)

Demonstrates personal responsibility and accountability for decisions, actions, and business outcomes.

1. Accepts responsibility for one's actions.
2. Demonstrates ownership for the goals and actions of the business unit.
3. Supports decisions of management.
4. Makes prompt decisions within the scope of authority; does not push decisions to higher levels unnecessarily.
5. Supports the efforts of others throughout the organization; does not undermine.
6. Follows through on work commitments.
7. Maintains appropriate employee and Company confidentiality.
8. Prudently manages and utilizes Company resources.

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ORGANIZATIONAL ASTUTENESS (OA)

Constructively leverages departmental and personal relationships to further business objectives.

1. Capitalizes on a network of positive working relationships.
2. Conveys relevant information to the necessary people on a timely basis.
3. Compromises when necessary to achieve win-win objectives.

PERFORMANCE MANAGEMENT (PM)

Develops and maintains a high performance work team.

1. Establishes clear expectations and deadlines.
2. Explains the purpose and rationale of assignments; shares all available information.
3. Solicits input from subordinates and/or team members.
4. Acknowledges and credits the contributions of others.
5. Empowers subordinates by providing them with authority and resources.
6. Monitors and evaluates employee performance.
7. Provides specific and timely feedback.
8. Trains and develops employees.
9. Promotes and supports employee self-development.
10. Matches tasks and responsibilities to employee capabilities; fully utilizes employees.
11. Demonstrates knowledge of employees' day-to-day job activities and challenges.
12. Tactfully and objectively confronts unacceptable performance.

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PLANNING AND ORGANIZING (PO)

Plans, organizes, and prioritizes work activities of self and subordinates to achieve business unit objectives.

1. Sets objectives for self and work group to support business unit goals.
2. Plans work activities for self and work group to meet objectives.
3. Prioritizes work activities for self and work group.
4. Develops contingency plans.
5. Manages time effectively.

RESOURCEFULNESS (R)

Analyzes problems and develops optimal and creative solutions that maximize performance.

1. Demonstrates a short learning curve; quickly assimilates and recalls large quantities of varied information.
2. Accurately analyzes and interprets information from varied sources.
3. Detects important trends.
4. Anticipates problems and opportunities.
5. Accurately determines the root cause of problems.
6. Identifies resources and alternatives.
7. Develops creative solutions to business problems when established practices are inadequate or not optimal.
8. Anticipates and evaluates the consequences of decisions.
9. Exercises sound judgment.

WORK ORIENTATION (WO)

Models Company commitment, enthusiasm, versatility, and high work standards.

1. Willingly makes personal sacrifices for the Company when needed.
2. Consistently exerts a high level of effort.
3. Demonstrates persistence and tenacity in pursuit of objectives.
4. Embraces change and demonstrates flexibility.
5. Supports new alternatives and solutions.
6. Challenges oneself; pursues continuous learning.
7. Adapts to high pressure and uncertain situations.
8. Maintains a positive and professional approach towards work and the organization.

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PM USA

TECHNICIAN COMPETENCY MODEL

ACCOUNTABILITY (A)

Demonstrates personal responsibility for decisions, actions, and work outcomes.

1. Accepts responsibility for one's actions.
2. Makes prompt decisions within the scope of job; does not push decisions to higher levels unnecessarily.
3. Follows through; ensures work is completed.
4. Ensures that work performed and information provided is timely, accurate and correct.
5. Demonstrates an understanding of the impact of one's own work on other departments.
6. Prudently utilizes Company's resources.

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COMMUNICATION (C)

Communicates clearly, articulately, and impactfully.

1. Expresses oneself clearly and succinctly.
2. Adjusts communication style to situation and audience.
3. Writes in an understandable, concise, and grammatically correct style.
4. Conveys relevant information to the necessary people on a timely basis.
5. Actively listens.

INITIATIVE (I)

Proactively works to improve effectiveness.

1. Questions established practices and management appropriately.
2. Pursues and takes action on opportunities for improvement.
3. Proactively offers opinions and innovative ideas.
4. Takes on responsibility and completes assignments without direction or supervision.
5. Shares knowledge, information, and expertise with others.

INTERPERSONAL ABILITY (IA)

Collaborates effectively with others.

1. Interacts with others in an open, honest and helpful manner.
2. Uses tact.
3. Remains objective.
4. Works with others constructively to achieve goals.
5. Supports and participates in creating a team environment.
6. Demonstrates sensitivity to the needs, individuality, and diversity of others.

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PLANNING AND ORGANIZING (PO)

Plans, organizes and prioritizes.

1. Plans work activities.
2. Prioritizes work activities.
3. Maintains work materials in an organized, easily retrievable fashion.
4. Manages multiple work requests.
5. Manages time effectively.

RESOURCEFULNESS (R)

Analyzes problems and develops optimal solutions that maximize performance

1. Demonstrates a short learning curve; quickly comprehends and recalls information.
2. Analyzes and interprets information thoroughly and accurately.
3. Detects important trends.
4. Anticipates problems and opportunities.
5. Accurately determines the root cause of problems.
6. Identifies resources and alternatives.
7. Develops creative solutions to work problems.
8. Exercises sound judgment.

WORK ORIENTATION (WO)

Models Company commitment, enthusiasm, versatility and high work standards.

1. Willingly makes personal sacrifices for the Company when needed.
2. Consistently exerts a high level of effort.
3. Demonstrates persistence and tenacity in pursuit of objectives.
4. Embraces change and demonstrates flexibility.
5. Supports new alternatives and solutions.
6. Challenges oneself; pursues continuous learning.
7. Adapts to high pressure and uncertain situations.
8. Maintains a positive and professional approach towards work and the organization.

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One definition of DMT

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Maintenance DMT - Meeting Agenda/Frequency

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- A. MDMT will meet on 2nd and 4th Thursday each month. The Months that have 5 Thursdays would have the 5th Thursday reserved for backup for either the 2nd or 4th Thursday meeting if postponed.
- B. Agenda for 2nd Thursday Meeting:
 - 1. Review of each functional groups Q500 activities
 - a. The Current problems identified.
 - b. Current activities taking place, who is involved?
 - c. C&I Plan review by accountable superintendent.
 - 2. Staff communications between DMT members.
- C. Agenda for 4th Thursday meeting:
 - 1. TQM review for plant-wide and department TQM's.
 - 2. Follow-up assignments review by Department Manager.
 - 3. Staff communications between DMT members.
- D. 1. DMT meetings will be scheduled for 1:00 p.m. - 4:30 p.m. in Administration Conference Room. The meetings could end sooner than 4:30, but would not last longer than 4:30 p.m. unless by manager direction.
 - 2. DMT members must come prepared for the meeting and the respective agenda.
 - 3. Department Manager must hold members accountable for completion of assignments.
- E. DMT Quarterly Meeting - once per quarter at Riverhouse (out of plant) - meeting would last all day - if necessary.
 - 1. C&I plan - teams status
 - 2. Deletions from the C&I Plan.
 - 3. Additions to the C&I Plan.
 - 4. Review of plant-wide and department TQM's performance, deletion/addition TQM's.

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5. Prioritization of Q500 activities, ie. TQFA's, new products, principle teams, expansion of SPC Systems, etc.
6. DMT self evaluation of members effectiveness (get items off their chess
7. Assignments and meeting review.
 - Diversity Involvement Activities
 - Minority Business Development

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Department Management Leadership

- The Department Management Team (DMT) is formed as the department begins to pursue Departmental Implementation. Though it will be similar in intent and function to the RL Process Systems Improvement Team (SIT), it will be made up of department personnel only.
- Led by the Department Manager, it will be the overall responsibility of this group to lead, manage, monitor, guide and participate directly in Departmental Implementation.
- The DMT will be accountable for:
 1. The performance of the Departmental Total Quality Measures (TQM's) as well as customer TQFA results.
 2. Control and Maintenance of SPC Systems.
 3. Support within the Maintenance Department for Q500 systems/activities.
- Equipment Standards Performance and Improvement

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Major Functions - Management Team

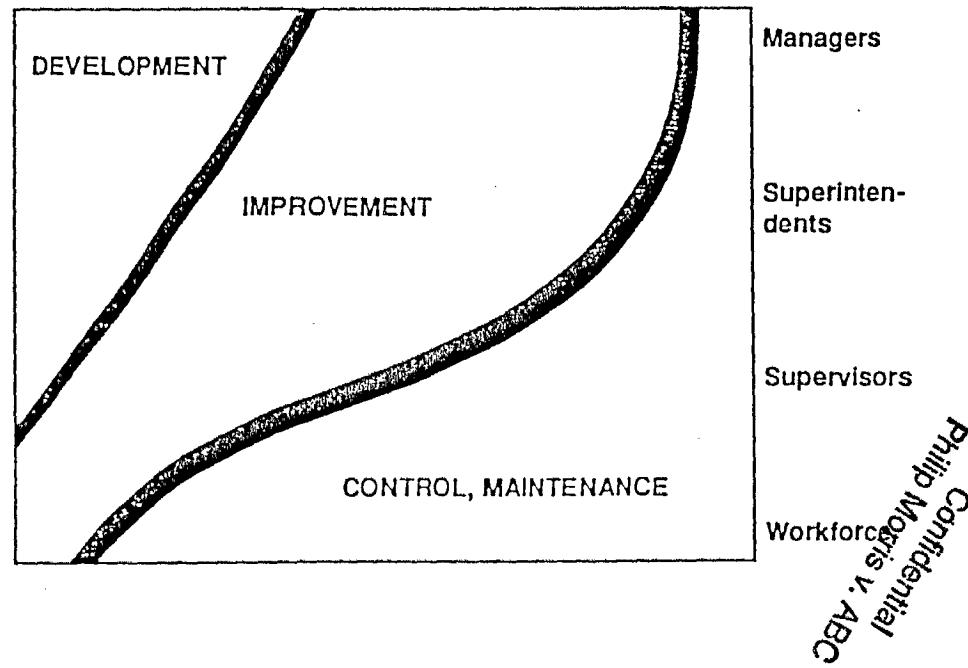
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1. Monitor and manage Departmental Implementation activities of each function areas.
2. Assure purpose, activities, and accomplishments of Departmental Implementation are thoroughly communicated to department employees, customers, and suppliers.
3. Initiate and lead periodic department or group-wide brainstorming sessions on operating problems and non-conformance to Q500 Principles; add to C&I Plan where appropriate.
4. Manage the Department C&I Plan on department processes and safety systems.
5. Monitor all Core Team activities and approve all SPC Systems.
6. Monitor conformance, understanding, and involvement of the SPC Systems and appropriate use of PDCA tools by department employees.
7. Develop department personnel in their understanding and application of Q500 Principles, tools and methods.
8. Identify and recognize department employees who are significantly contributing to Q500 objectives through Departmental Implementation.
9. Develop and implement department Total Quality Measures; review, prioritize and initiate C&I problem-solving.
10. Routinely review TQM's, looking for department impact or causes, provide input to SIT and initiate department actions to improve TQM's.
11. Manage and ensure that appropriate department resources are available and involved in accomplishing SIT objectives.
12. Develop and implement SPC job responsibilities and ensure accountability in Performance Appraisals.
13. Monitor off-line SPC measures and supervision initiated activities.
14. Monitor needs of department SPC Systems - additional, changes, deletions, and support activities.

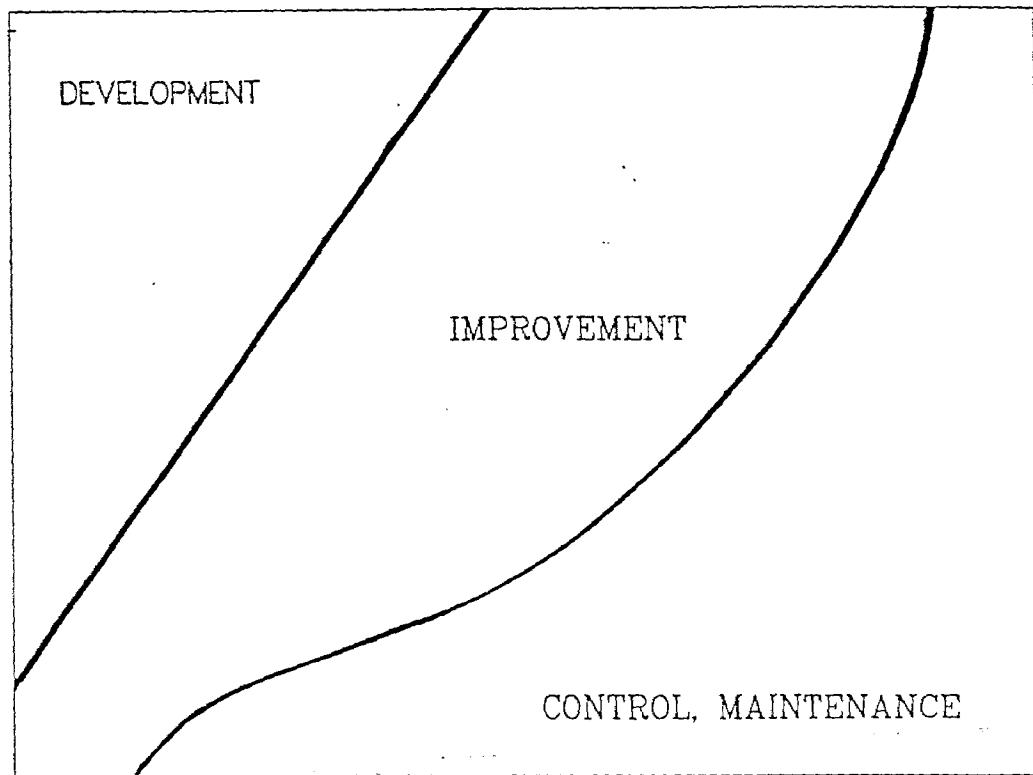
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The Way We Should Allocate Time



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Development - those activities associated with development that will lead to improved control or improvement of department products, processes, worklife, people and effectiveness.

Improvement - those activities which result in reduced variation or achievement of a new level of performance of products, processes, TQM's or people.

Control (and- Maintain) those activities relating to solution of a sporadic or special cause problem.

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Maintenance DMT Philosophy

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1. We will utilize Q500 tools, principles, techniques, and philosophy in all Department Management Team activities.
2. We will assure appropriate communications of DMT purpose, plans, activities, and accomplishments to all Maintenance Department employees as well as other affected personnel.
3. We will conduct business in a professional and courteous manner and ensure that all Total Quality Initiative activities are handled in the same manner.
4. We will fully utilize the knowledge and experience of DMT members and all departmental personnel.
5. We will ensure that the opportunity for involvement exists for all employees.
6. We will not sacrifice quality for quantity.
7. We will make decisions based on sound business judgement keeping in mind why we are in business - to keep the plant running.
8. We will encourage calculated risk taken by DMT members.
9. We will utilize the existing system for recognizing employees who demonstrate genuine commitment to Total Quality.
10. Team members will be supportive of each other and not let an individual fail.

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M&E Department Operating Philosophy

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Purpose: To give direction for the development of SPC System Controls and Improvements on M&E processes and to ensure that the solutions of department problem-solving teams are consistent with department goals and objectives. When all M&E SPC Systems are in place, they should reflect operating philosophy.

- We will continually strive to improve the quality of M&E processes, products and worklife by:
- Continuously working to support the plant-wide goal of Q500 through day-to-day job actions.
- Understanding, clarifying, and translating Q500 Principles into the daily activities of department employees.
- Identifying and continuously re-examine what our customers' needs are.
- Prioritizing our work and allocating department resources to meet our customers' needs.
- Improving our use of Q500 tools and techniques in our day-to-day jobs and decision making. Providing training on the use of Q500 tools and methods to enhance the skills and successes of all M&E employees.
- Focusing on safety, our most important worklife issue, as we perform our daily jobs.
- Improving operation efficiency and reducing variation of M&E processes.
- Fully utilizing the vast experience and knowledge of M&E employees in decisions making and problem-solving.
- Recognizing individuals and teams for achievement in improving the quality of processes, products, and worklife.
- Developing improved communication to increase trust and teamwork within our department and with other departments.
- Maintaining compliance with plant rules and regulations.

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Goal: Continually improve the quality of all process, products and worklife at Park 500.

Q500 Principles

- #1. Quality improvement is our highest priority and constant purpose.
- #2. All of us have customers inside and outside Park 500 who expect and deserve our highest quality work.
- #3. Permanent gains in productivity, materials utilization, operating efficiencies and employee fulfillment can only be achieved through continual quality improvement.
- #4. To reduce the human and financial costs of poor quality, duplication, inspection and rework, we must continually reduce variability in our process and product.
- #5. Plan-wide training, communication and implementation of statistical process control, problem-solving techniques and project teams are the tools of quality improvement which will complement the skills of Park 500 employees.
- #6. Quality improvement will rely upon our ability to break down barriers and eliminate fears through mutual trust, teamwork and full participation of every employee at Park 500.
- #7. Responsibility for decisions at Park 500 should begin with the people closest to, and most knowledgeable about the job.
- #8. Continual quality improvement at Park 500 will assist Philip Morris in achieving short- and long-term goals, strengthening competitive position, and fully utilizing its greatest resource -- people.
- #9. We will recognize those employees and suppliers who demonstrate genuine commitment and measurable quality improvement.
- #10. The purpose, activities and accomplishments of Q500 will be thoroughly communicated to employees, suppliers and customers.

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Roles &
Accountabilities

2030284091

MAINTENANCE DMT MEMBERSHIP

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Manager

RL Process Maintenance Superintendent

Maintenance Services Superintendent

RL Support Processes Superintendent

Engineering Superintendent

Total Quality Specialist

Site Manufacturing Engineering Superintendent

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2030284092

Assumptions/Criteria on Managing C&I Work in the Maintenance Department

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July 20, 1992

- Teams will meet a minimum of 2 hours per week.
- C&I Teams will meet time lines.
- Superintendents will manage assigned teams in a 45-50 hour work week.
- Team leaders should approximate 4 hours per week, per team time required.
- Superintendents should approximate 1 hour per week, per team line requirement (meeting with team leader and reviewing team outputs).
- Superintendents should approximate 3 hours per team per week time requirement for teams on which they are participants.
- Maximum number of teams a superintendent should be accountable for at one time - 8.
- SIT members work will take not more than 8 hours/week.
- Superintendents must be able to account for teams activities in bi-weekly DMT meetings.

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2030284093

Roles Regarding Departmental Implementation for the Maintenance Department

Department Manager:

To understand the standardized activities of the MQP and provide departmental priorities, resources, and measures to ensure successful completion of those activities.
To motivate the members to ensure that the work of standardized activities is accomplished and team members are fulfilled.

Team Members:

To follow the directions of the facilitator and/or Team Leader and not vary from the standardized methods; bring knowledge and constructive inputs to the improvement of department products and processes, and complete assignments in a timely manner.

Total Quality Specialist:

To understand, support and assist the team in implementing the standardized methods, outputs and measures of the Departmental SPC Systems and to become proficient in the continuous training and implementation of the systems.

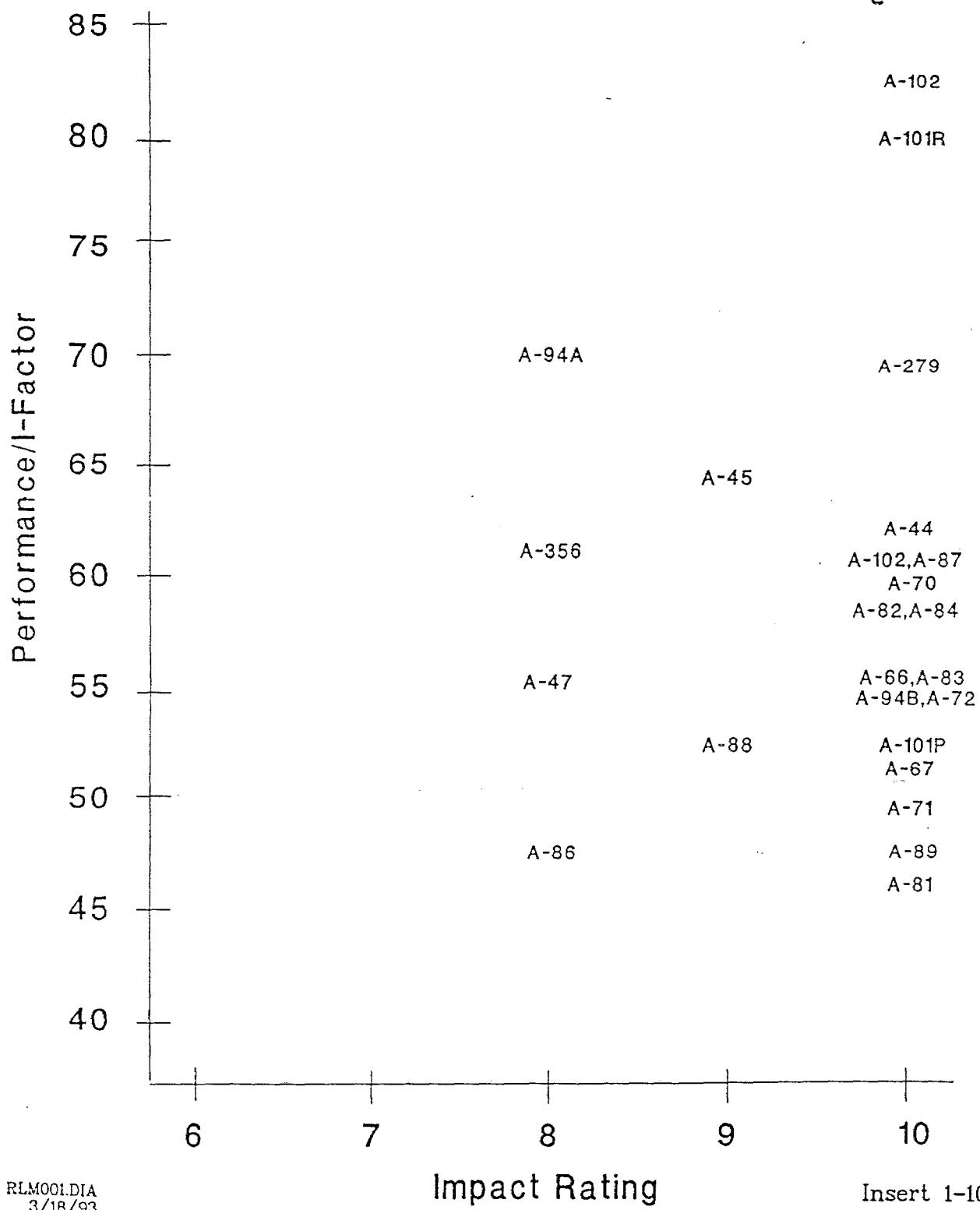
To help the Department Management Team fulfill their responsibilities of the MQP through guidance, training, and coaching to accomplish the standardized activities of Q500/MQP.

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2030284095

RL Process Maintenance
Product Improvement Priority Matrix
February 1993

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Legend for Product Improvement Priority Matrix

Product Code	Impact Rating	I-Factor	Product Description
A-44	10	62	Maintenance on Pneumatic Transfer System
A-45	9	64	Maintenance on Dust Collection System (Blending)
A-47	8	56	Maintenance on Blending Feedlines
A-66	10	56	Maintenance on Pulping Equipment
A-67	10	52	Maintenance on Stock Extraction Equipment
A-70	10	60	Maintenance on Liquor Concentration Equipment
A-71	10	49	Maintenance on Refining Equipment
A-72	10	55	Maintenance on By-Product Recovery Equipment
A-81	10	46	Maintenance on Stock Control Equipment
A-82	10	58	Maintenance on Sheet Forming Equipment
A-83	10	56	Maintenance on Wet Sheet Transfer Equipment
A-84	10	58	Maintenance on Yankee Dryer Equipment
A-86	8	47	Maintenance on SBW / FSW / WSW Systems
A-87	10	61	Maintenance on Sheet Pre-drying Equipment
A-88	9	53	Maintenance on Sheet Sizing Equipment
A-89	10	48	Maintenance on Final Sheet Conditioning Equipment
A-94A	8	70	Maintenance of Relief Valves & Bridge Cranes
A-94B	10	55	Maintenance of Yankee Hoods
A-101P	10	53	Maintenance of Packing Equipment - PM's
A-101R	10	80	Maintenance of Packing Equipment - Breakdown Repair
A-102	10	83	Maintenance of Product Transfer Equipment
A-279	10	69	Maintenance of Raw Material Transfer Equipment
A-356	8	62	Maintenance of Hogshead Saws

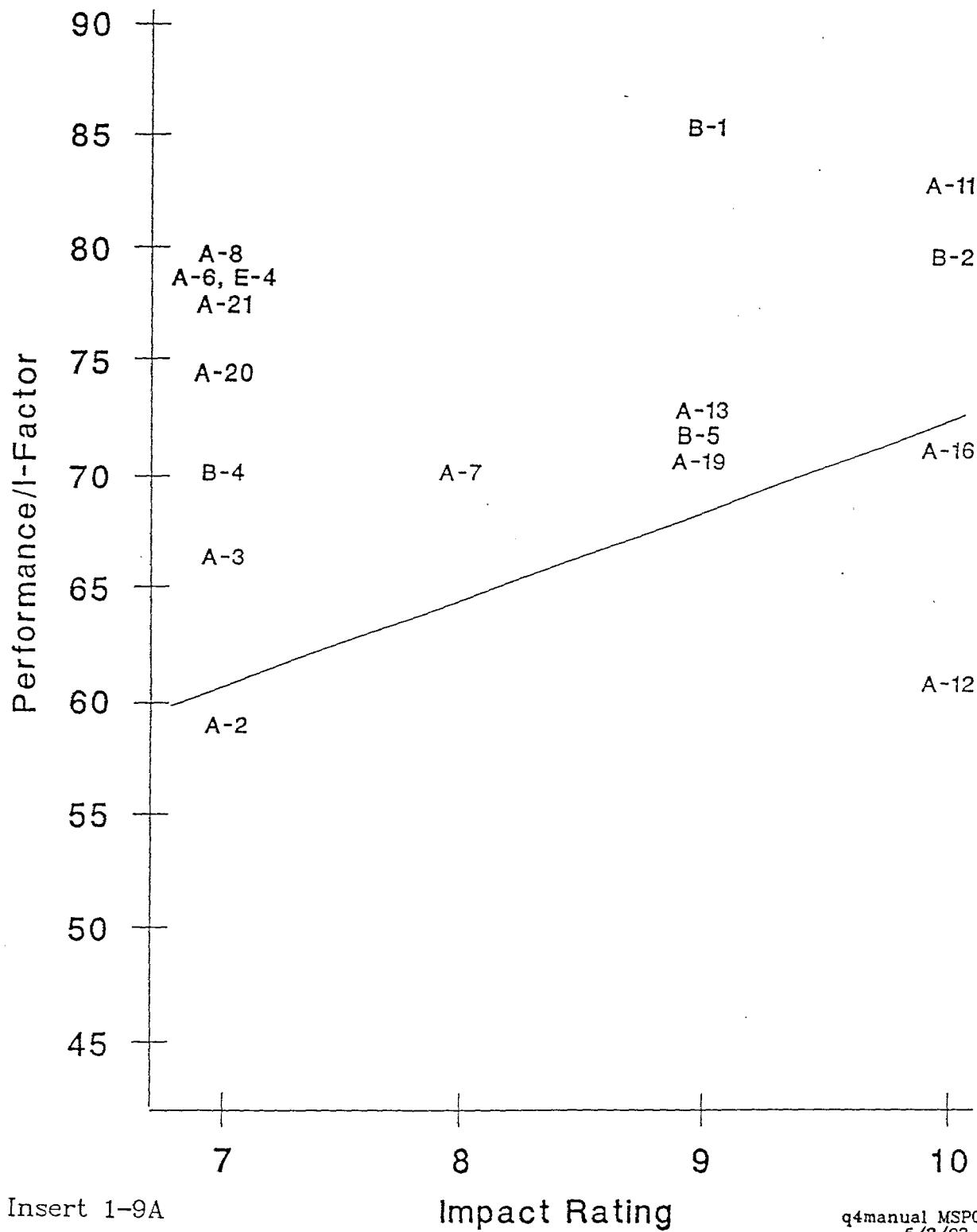
2030284097

Insert 1-10A

RL Maintenance

MAINTENANCE SUPPORT PROCESS
Product Improvement Priority Matrix
March 1992

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Insert 1-9A

Impact Rating

q4manual MSP001.DIA
5/3/93

2030284098

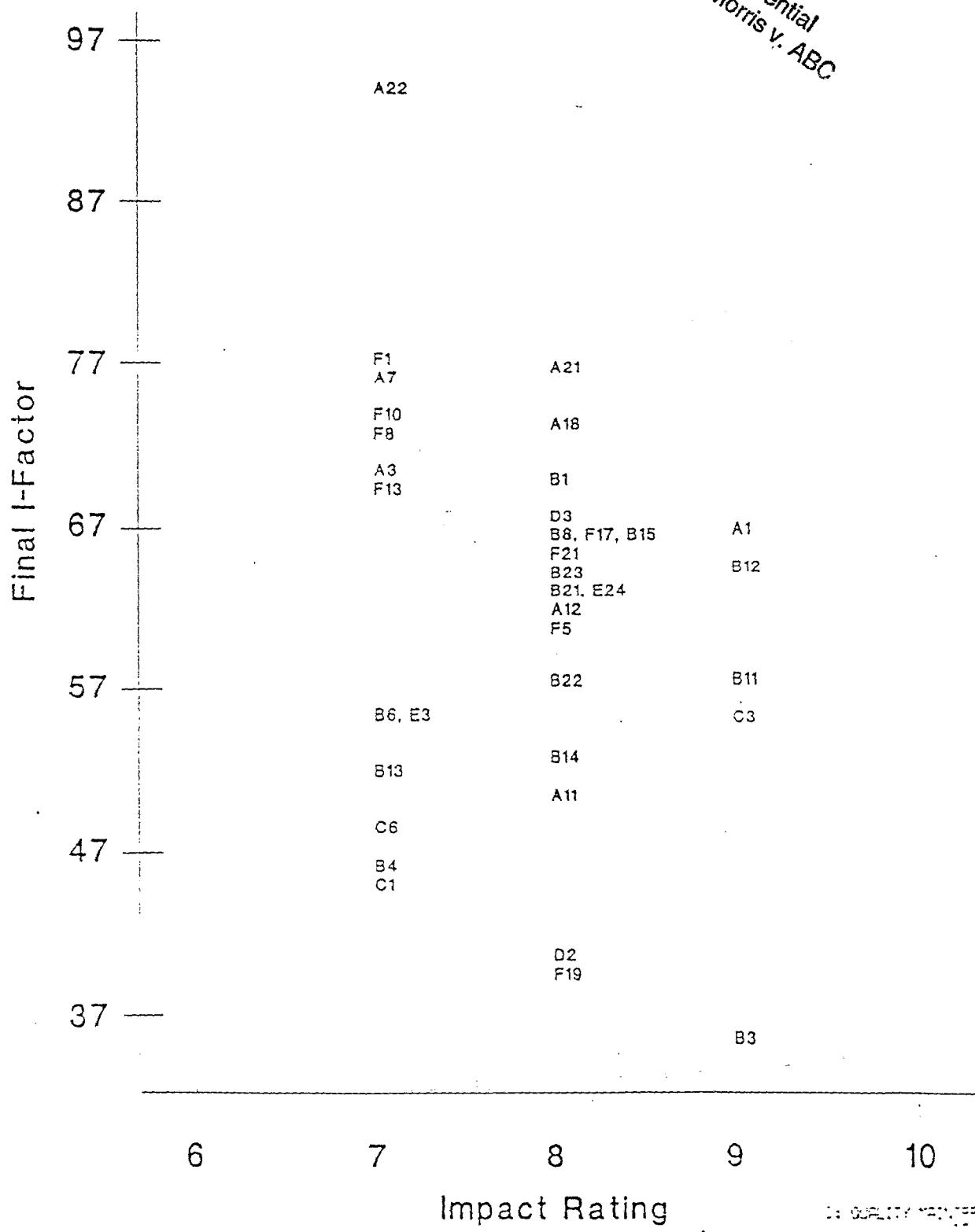
Legend for Product Improvement Priority Matrix

Product Code	Impact Rating	I-Factor	Product Description
A-2	7	59	Provide PM for Power House Equipment
A-3	7	67	Perform PM for HVAC Equipment
A-6	7	78	Perform P/S Maintenance on WWT Equipment
A-7	8	70	Perform P/S Maintenance on Power House Equipment
A-8	7	79	Perform P/S Maintenance on HVAC Equipment
A-11	10	83	Perform Emergency Breakdown Maintenance on WWT Equipment
A-12	10	61	Perform Emergency Breakdown Repairs for Power House Equipment
A-13	9	73	Perform Emergency Breakdown Maintenance for HVAC Equipment
A-16	10	71	Provide Lubrication and Inspection on Equipment
A-19	9	70	Provide Paper Machine Rolls Ready for Installation
A-20	7	74	Provide Parts Sub-assemblies and Equipment Ready for Installation
A-21	7	77	Perform P/S Work on Maintenance Tools and Equipment
B-1	9	86	Supply Brine Solution for Process Denitration
B-2	10	79	Supply Stack Emissions Data to Power House Personnel
B-4	7	70	Operation of Provox Equipment
B-5	9	71	Provide Conditioned Air for Process Equipment
E-4	7	78	Resource to Problem Solving Teams

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Maintenance Services Product Improvement Priority Matrix

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2030284100

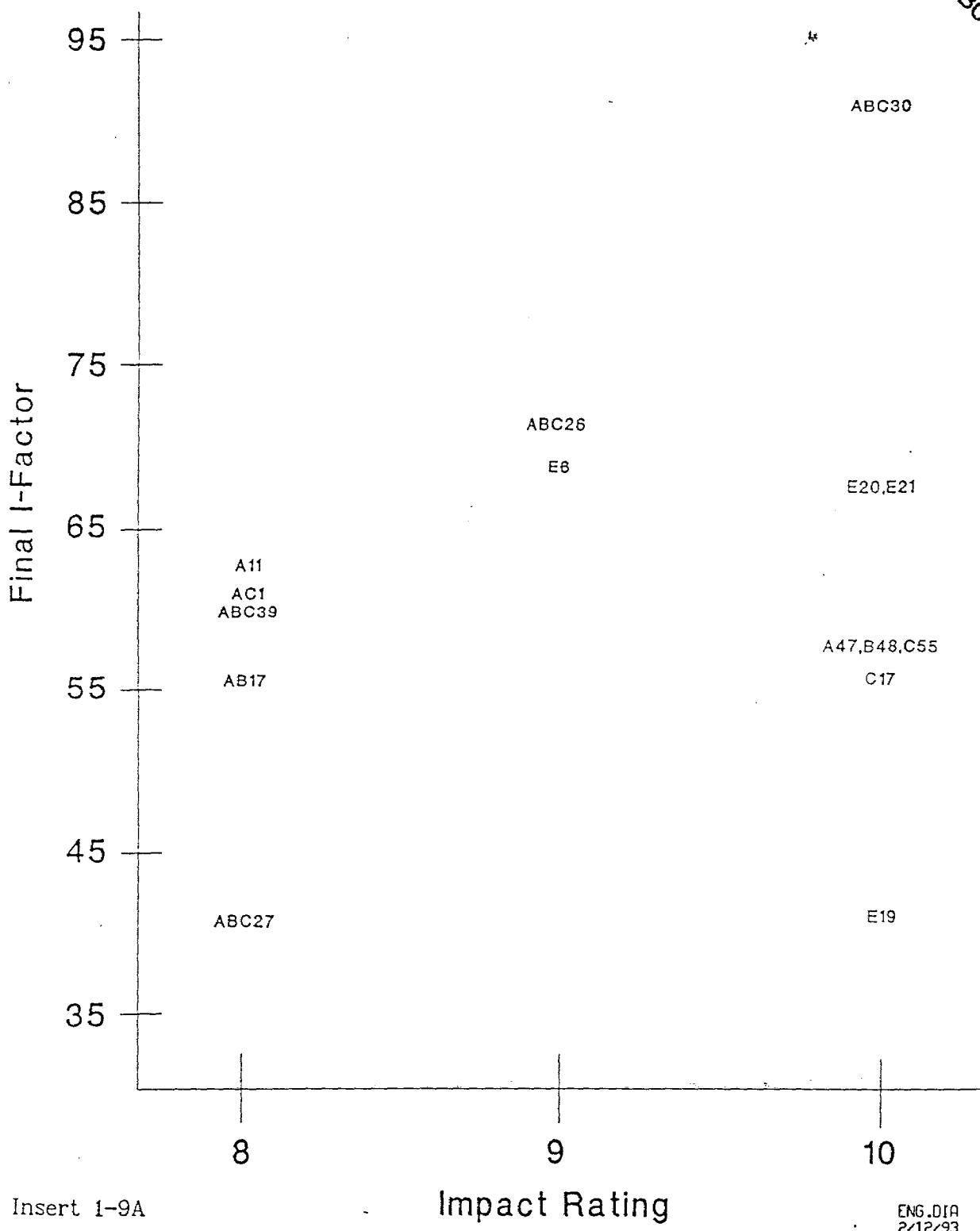
Legend for Priority Matrix

A1 Receiving of Coded Parts, Tools and Materials
A3 Inspection of Incoming Coded Parts, Tools and Materials
A7 Unloading of Coded Parts, Tools and Materials
A11 Labeling of Coded and Non-Coded Parts, Tools and Materials
A12 Issuing of Coded and Non-Coded Parts and Materials
A18 Requisition for Out-Of-Stock Coded Parts, Tools and Materials (Includes 0 balances and stockouts)
A21 Emergency Pick Up and Delivery of Coded and Non-Coded Parts, Tools and Materials
A22 Scheduling of Monthly Tool Check (Safety and Operation)
B1 Purchase Requisitions for Parts, Tools and Materials
B3 Physical Inventories
B4 Stock Inventory Files
B6 Transfer Requests for Parts and Materials
B8 Release of Parts, Tools and Materials Against Standing Orders from Vendors
B11 Reconciliation of Discrepancies Found in Physical Counts
B12 Reconciliation of Discrepancies Found in Part, Tool and Material Specification
B13 Identification of Discrepancies Found in Part, Tool and Material Specification
B14 Identification of Discrepancies in Physical Count of Part, Tool and Material
B15 Supply of Information to Purchasing and/or Vendors for Identifying Parts, Tools and Materials
B21 Determination of Order Quantities of Parts, Tools and Materials
B22 Determination of Re-Order Points of Parts, Tools and Materials
B23 Expediting of Parts, Tools and Materials
C1 Placement of Parts, Tools and Materials in Storage
C3 Documentation of Storage Information
C6 Identification and Repair of Storage Equipment Damage
D2 Verification of Invoices
D3 Preparation of Bid or Contract Documents (Scopes of Work, Requisitions, Diagrams, Blueprints, Management Justification Letters)
E3 Potential/Stockout Report
E24 Reorder Prompt Report (Reorder List, NEWREORD)
F1 Preparation, Approval and Distribution of Employee Timesheets
F5 Preparation and Administration of Budgets
F8 Preparation and Administration of Employee Job-Related Training
F10 Administration of Employee Disciplinary Action
F13 Input and Participation on Plant and/or Department Q500 Teams and Activities
F17 Ensuring Employee Safety in the Workplace; Documentation and Resolution of Safety Incidents
F19 Identification and/or Resolution of Employee Concerns and/or Worklife Issues
F21 Documentation and Resolution of Safety Incidences

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Engineering Functional Area Product Improvement Priority Matrix

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Legend for Product Improvement Priority Matrix

ABC30	Verification of Invoices
E20, E21	Provide PLC and Provox software documentation
A47, B48, C55	As-Built Drawings
C-17	Engineering Drawings (for Power House)
E19	Field Supplied As-Built Drawings
ABC26	Project Work Review with Contractor Representative
E6	Issue Drawing and Loop Numbers
A11	Provide Detailed Cost Estimate
AC1	Develop Preliminary Scope of Work
ABC39	Interfacing of Contractor Work and Job Site with Other Affected Departments and Activities
AB17	Engineering Drawings (for RL Plant)
ABC27	Project Work Review with Park 500 Area Maintenance Supervisor and Craft Personnel

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Communication
Systems

2030284104

Department Communication System

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This system documentation needs to be improved by:

1. Modifying wording to customize the general process for Production Department application AND to ensure that this system is used for more than safety communications.
2. Improving feedback forms as needed.
3. Developing the appropriate system for posting Departmental information.
4. Adjusting communication flows to current organizational structures.

2030284105

C:\QUALITY\808\DCS01.DIA

PURPOSE OF TODAY'S MEETING

The purpose of today's meeting is to show you the timetable and the communication system that will be used as the M&E Department pursues Departmental Implementation.

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2030284106

MAINTENANCE & ENGINEERING DEPARTMENT MANAGEMENT TEAM COMMUNICATION SYSTEM

Purpose of System:

To directly and effectively communicate department Q500 activities on a routine basis, and to facilitate participation by all department personnel.

Communication Types:

1. For your information - to keep you abreast with departmental activities
2. For your education - to prepare you to do something
3. For work - getting inputs, feedback, participation

There will be two (2) methods for communicating and facilitating input from all Maintenance & Engineering department personnel:

- 1) Scheduled meetings using the Maintenance & Engineering Department Management Team Communication System.
- 2) Bulletin boards which will be dedicated to Maintenance & Engineering Department Q500 Communications.

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2030284107

WHERE ARE THE M&E DEPARTMENT Q500 BULLETIN BOARDS?

- Mechanical Shop
- E/I Shop
- Area 61 - Hallway by Elevator
- Office Area Outside the Stockroom
- Waste Water Treatment Mechanical Shop
- Waste Water Treatment E/I Shop
- Power House E/I Shop
- Power House First Floor Breakroom

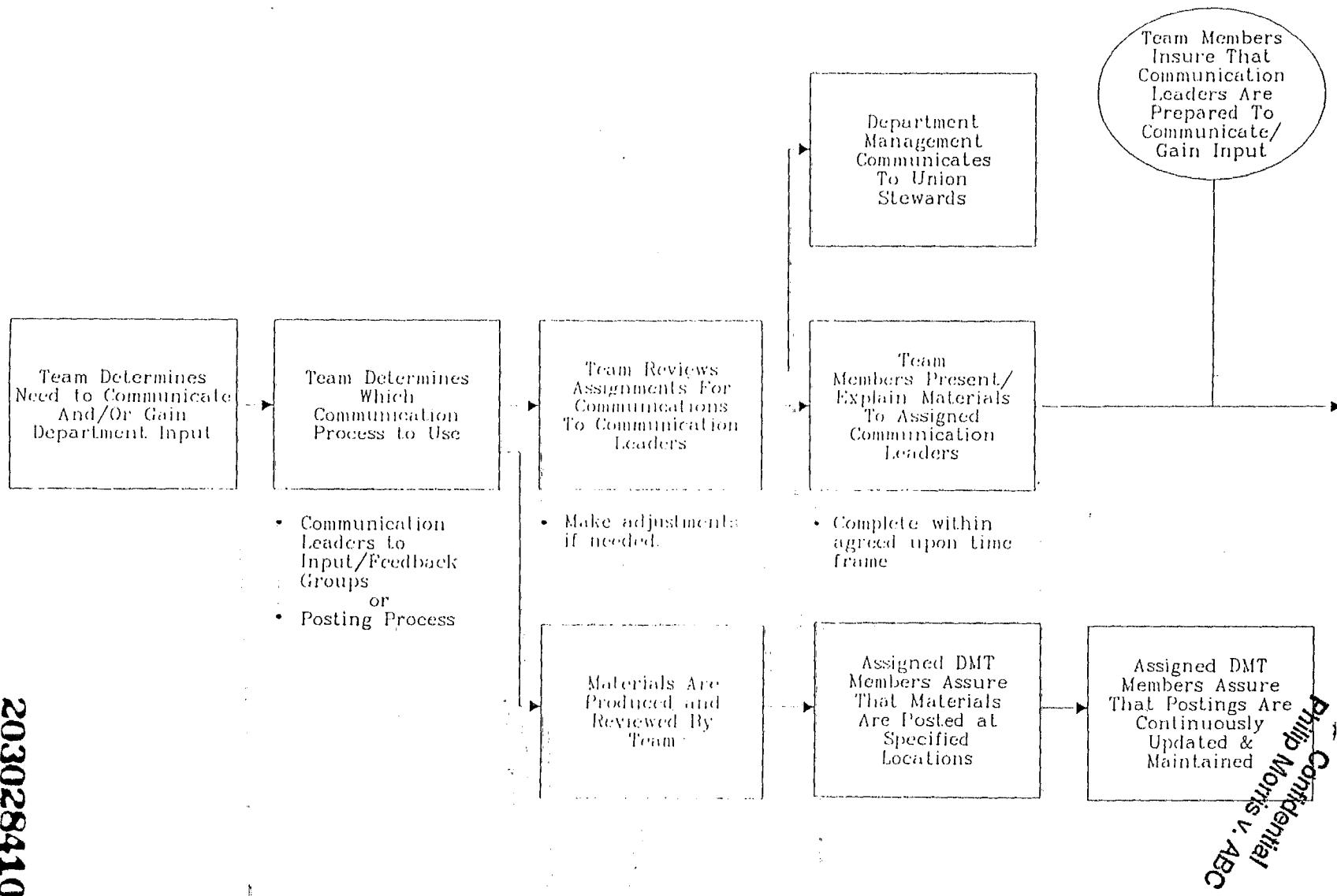
These posting boards will include information such as:

- Core Team members
- What the Module II Teams & Core Teams are currently working on
- Answers to frequent questions about Q500 activities
- M&E Department Q500 Communication System Flow Diagram
- Names of Department Communication Leaders and Department Input Feedback Groups
- Upcoming activities and key dates
- Recognition of Department accomplishments
- Upcoming activities and key dates for each functional area

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2030284108

MAINTENANCE & ENGINEERING COMMUNICATION SYSTEM



2030284109

RL PROCESS MAINTENANCE

<u>DM TEAM MEMBER</u>	<u>DM COMMUNICATION LEADERS</u>	<u>DM INPUT/FEEDBACK GROUPS</u>
Bill Bailey	Don Hickman	Chavis Harris Trammell Turner Williams, R.
(Bill Hamby)	George Kraynak	Boze Carden, C. Carden, J. Eversole Staton
	Joe Micou	Anderson Bumgardner Hayes Opel Pennington
	Pat Ray	Lusk Neisz Wayda
	Horace Wilkins	Blevins, AJ Bryant Cepin Duncan Gould Higginbotham Poole

2030284110

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RL PROCESS MAINTENANCE

DM TEAM MEMBER

Bill Bailey

(Bill Hamby)

DM COMMUNICATION LEADERS

John Eells

Ricky Harris

Richard Harvey

DM INPUT/FEEDBACK GROUPS

Ballard
Blevins, L.
Brown, David
Cox
Donaldson
Hill
Ray
Reynolds
Sloan
Wright

Hogwood
Korb
Latham
Lewis
Lilly
Meador
Moxley
Mueller
Pollard
Rose
Simmons
Smith, G.
Wellington
Wheeler
Williams, W.
Wilson

Carden, Jr.
Owens
Owens, R.
Smith, H.
Tipton

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2030284111

RL PROCESS MAINTENANCE

<u>DM TEAM MEMBER</u>	<u>DM COMMUNICATION LEADERS</u>	<u>DM INPUT/FEEDBACK GROUPS</u>
Bill Bailey	John Eells	Ballard Blevins, L. Brown, David Cox Donaldson Hill Ray Reynolds Sloan Wright
(Bill Hamby)	Ricky Harris	Hogwood Korb Latham Lewis Lilly Meador Moxley Mueller Pollard Rose Simmons Smith, G. Wellington Wheeler Williams, W. Wilson
	Richard Harvey	Carden, Jr Owens Owens, R. Smith, K. Tipton

2030284112

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PLANTWIDE COMMUNICATION SYSTEM

Purpose of System:

To directly and effectively communicate Q500 information and activities on a routine basis and to facilitate participation from all Park 500 employees.

Communication Types:

1) For your information

You need to hear it, but you don't need to do anything with it.

2) For your education

To prepare you to do something.

(for example: New safety procedures)

3) For your input/feedback

(for example: Brainstorming safety issues/worklife)

Communication Methods:

1) Scheduled meetings using Presenter/Audience Process

2) Posting Process – using bulletin boards which are dedicated to Q500 information

3) Mail System (memos)

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COMMUNICATIONS NETWORK

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Purpose

To directly and effectively communicate safety information and activities on a routine basis and to facilitate participation from all Park 500 employees.

Expected Benefits

- o Uniformly transmits information to Park 500 personnel.
- o Affords two way communications.
- o Defines appropriate methods of communication.
- o Measures effectiveness of communication.
- o Minimizes traditional communication deficiencies.

2030284114

Revision Date 9/6/91

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Communications Network

Table of Contents

- Definition of Terms
- Plantwide Safety Communication System
- "Questionnaires"
- Safety Bulletin Boards (Process & Locations)
- Communication Flows
- Accountable Personnel Responsibilities

2030284115

Definition of Communication Network Terms

Types:

1) For your information

You need to hear it, but you don't need to do anything with it.

2) For your education

To prepare you to do something.
(for example: New safety procedures)

3) For your input/feedback

(for example: Brainstorming safety issues/worklife)

Methods:

1) Scheduled meetings using Presenter/Audience Process

2) Posting Process - using bulletin boards which are dedicated to safety information.

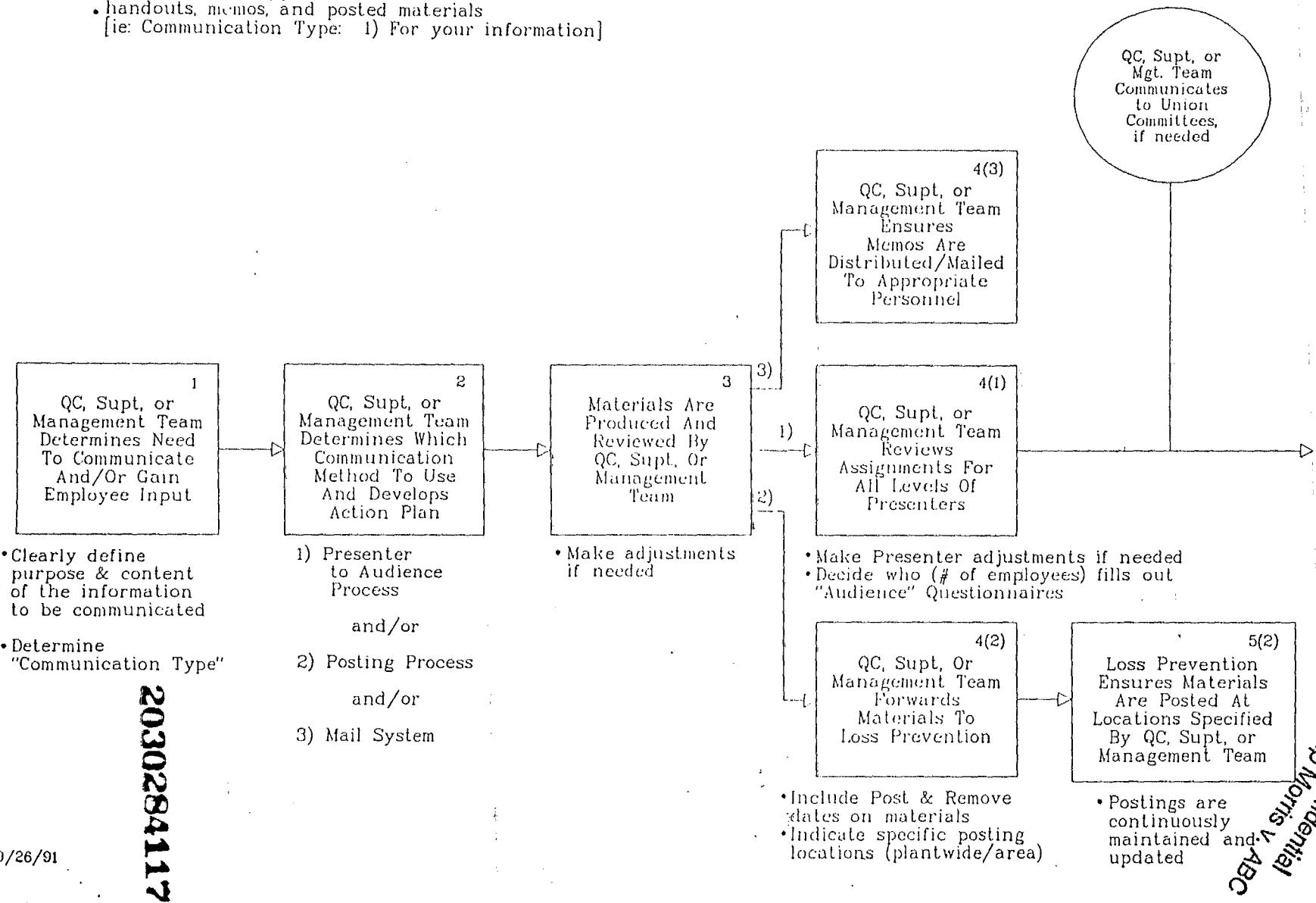
3) Mail System (memos)

2030284116

DCOMMTER.DIA

PLANTWIDE SAFETY COMMUNICATION SYSTEM

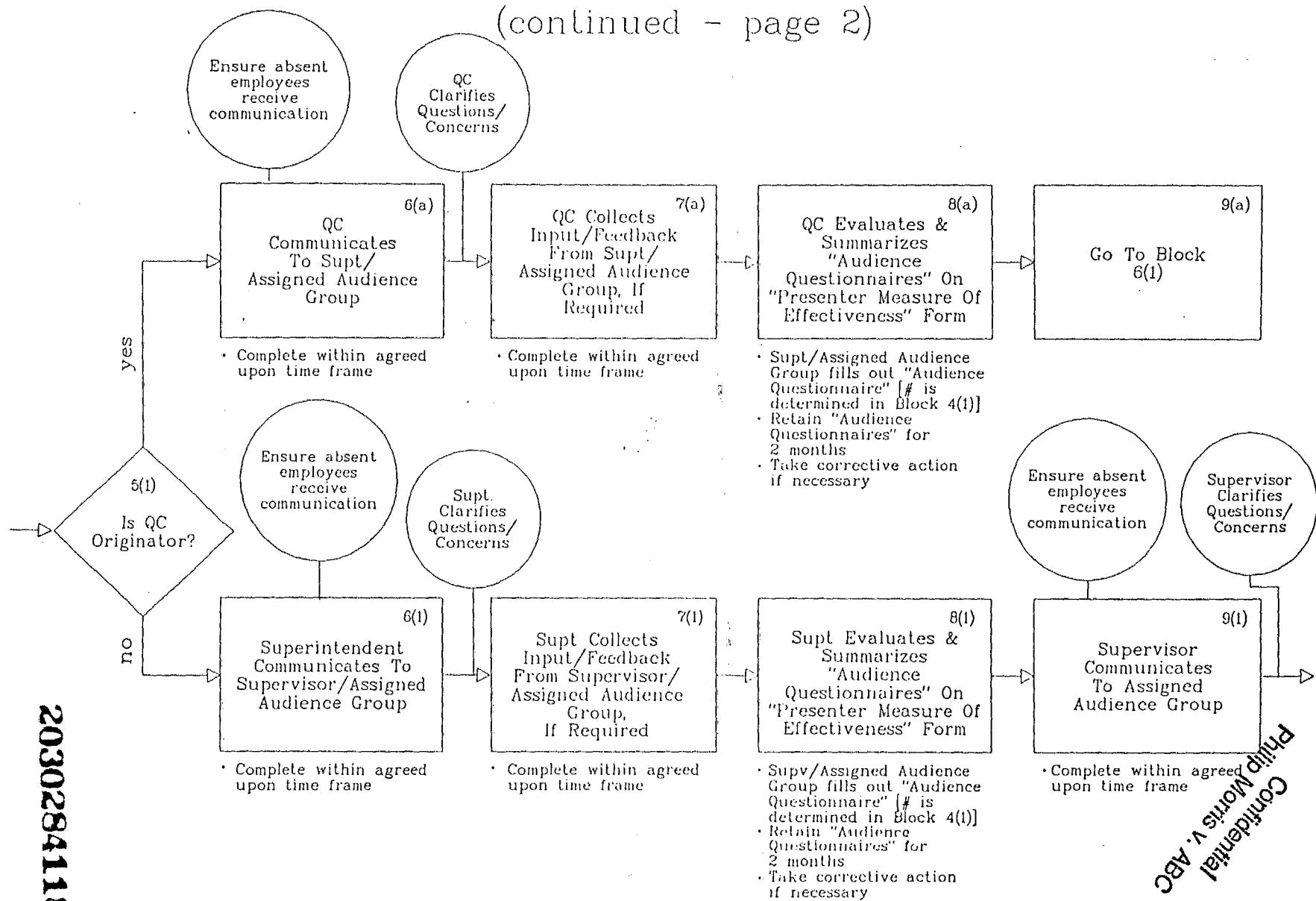
- * NOTES: "Communication Type" must be listed on ALL
 - handouts, memos, and posted materials
 - [ie: Communication Type: 1) For your information]



9/26/91

PLANTWIDE SAFETY COMMUNICATION SYSTEM

(continued - page 2)

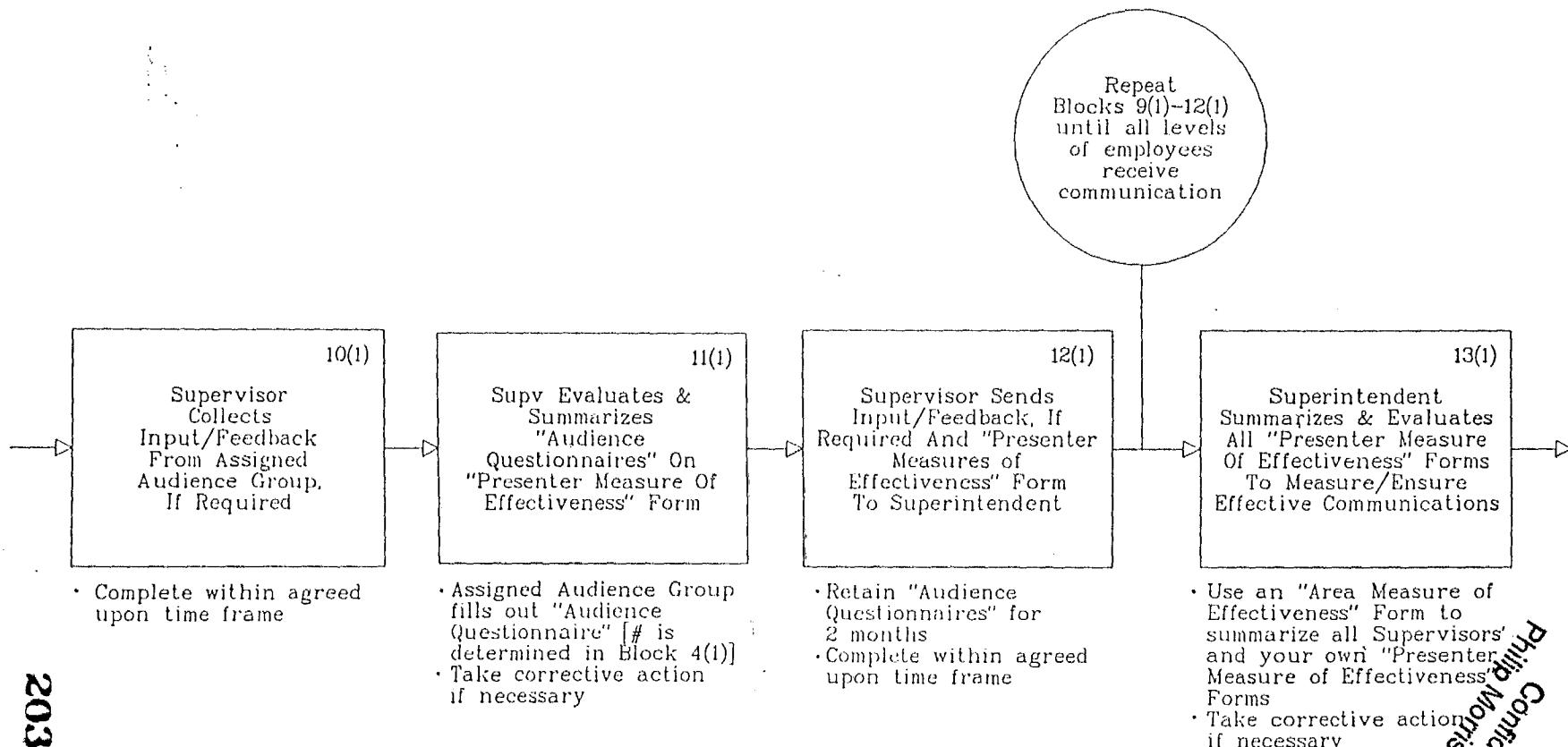


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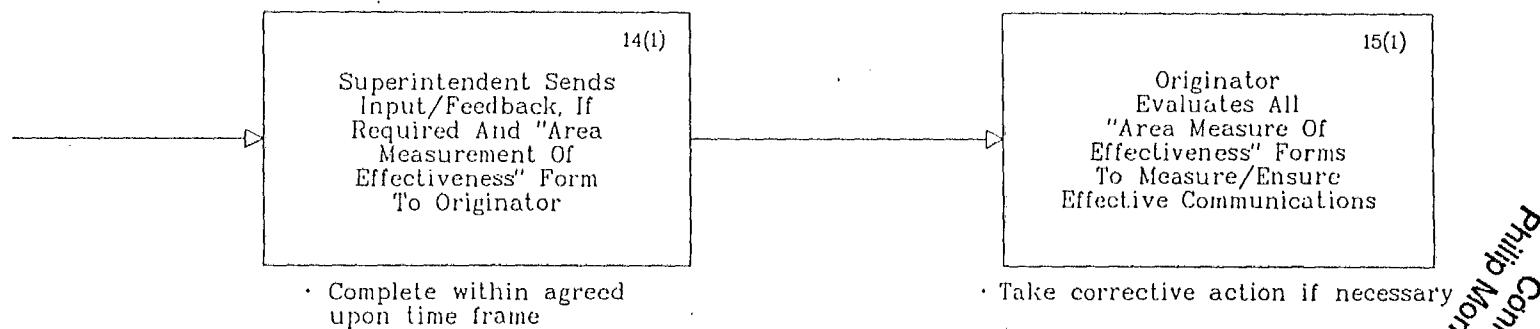
PLANTWIDE SAFETY COMMUNICATION SYSTEM

(continued - page 3)



2030284119

PLANTWIDE SAFETY COMMUNICATION SYSTEM (continued - page 4)



2030284120

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"Questionnaires

2030284121

Subject: _____

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Key Questions to Measure Effectiveness of Communication (Presenter's Questionnaire)

1. How long did the meeting last?
2. What was the attendance?
3. How well did the meeting stick to the subject matter?
4. How well was the information accepted/received?
5. How many questions were asked: On topic? Off topic?
6. Did anyone document a list of the questions asked?
7. What questions were not answered in the meeting?
8. What is the follow-up plan to answer those questions?
9. Suggestions to improve future meetings.
10. Do you have other comments regarding this meeting?

Name:

2030284122

Date/Time:

Use the back of this sheet, if necessary

Key Questions to Measure Effectiveness of Communication (Audience Questionnaire)

1. What do you think is the purpose/objective of this meeting?

Was the purpose/objective accomplished? Yes ____ No ____

2. How well do you think the presenter stayed on the subject matter?

3. What questions were not answered in this meeting?

4. What suggestions do you have to improve future meetings?

5. Do you have other comments regarding this meeting?

Name:

Date/Time:

2030284123

Use the back of this sheet, if necessary

Subject _____

Name _____

Date & Time _____

AUDIENCE QUESTIONNAIRE

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Confidential

1. What do you think is the purpose/objective of this meeting? _____

2. Did the meeting stay on the subject matter? Yes _____ No _____

3. Were there any questions that were not answered in this meeting? Yes _____ No _____
(a) What were those questions? _____

4. Do you have other comments regarding the information in this meeting? Yes _____ No _____
(a) If yes, what are they? _____

5. For future presenters:
Do you understand this material well enough to present it to your assigned audience group? Yes _____ No _____
(a) If not, what was unclear? _____

2030284124

Use the back of this sheet, if necessary

Subject _____

Name _____

Date & Time _____

PRESENTER MEASURE OF EFFECTIVENESS
(Summary of "Audience Questionnaires")

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1. How many people, who filled out the "Audience Questionnaire", understood the purpose/objective of this meeting? _____

How many people, who filled out the "Audience Questionnaire", did not understand the purpose/objective of this meeting? _____

2. How many people, who filled out the "Audience Questionnaire", felt that this meeting stayed on the subject matter? _____

How many people, who filled out the "Audience Questionnaire", felt that this meeting did not stay on the subject matter? _____

3. Were there any questions that were not answered in this meeting? _____

(a) What were those questions? Yes _____ No _____

(b) What is the follow-up plan to answer those questions? _____

4. Do you or any members of your audience have other comments regarding the information in this meeting? _____

(a) What are the comments? Yes _____ No _____

5. Do the future presenters understand the material well enough to present it to their assigned audience group? _____

Yes _____ No _____

(a) If not, what was unclear? _____

(b) What is the follow-up plan to ensure they are prepared? _____

6. Was everyone in the assigned audience group present? _____

Yes _____ No _____

(a) If no then, how many were absent? _____

(b) What is the follow up plan to ensure they receive this communication? _____

2030284125

Use the back of this sheet, if necessary

Subject _____

Name _____

Date & Time _____

AREA MEASURE OF EFFECTIVENESS FOR COMMUNICATION Form 1
(Summary of the "Presenter Measure of Effectiveness" Form 1)

1. How many people, who filled out the "Audience Questionnaire", understood the purpose/objective of this meeting? _____

How many people, who filled out the "Audience Questionnaire", did not understand the purpose/objective of this meeting? _____

2. How many people, who filled out the "Audience Questionnaire", felt that this meeting stayed on the subject matter? _____

How many people, who filled out the "Audience Questionnaire", felt that this meeting did not stay on the subject matter? _____

3. Were there any questions that were not answered in this meeting? _____

(a) What were those questions? Yes _____ No _____

(b) What is the follow-up plan to answer those questions? _____

4. Do you or any members of your audience have other comments regarding the information in this meeting? _____

(a) What are the comments? Yes _____ No _____

5. Do the future presenters understand the material well enough to present it to their assigned audience group? _____

Yes _____ No _____

(a) If not, what was unclear? _____

(b) What is the follow-up plan to ensure they are prepared? _____

6. Was everyone in the assigned audience group present? _____

Yes _____ No _____

(a) If no then, how many were absent? _____

(b) What is the follow up plan to ensure they receive this communication? _____

2030284126

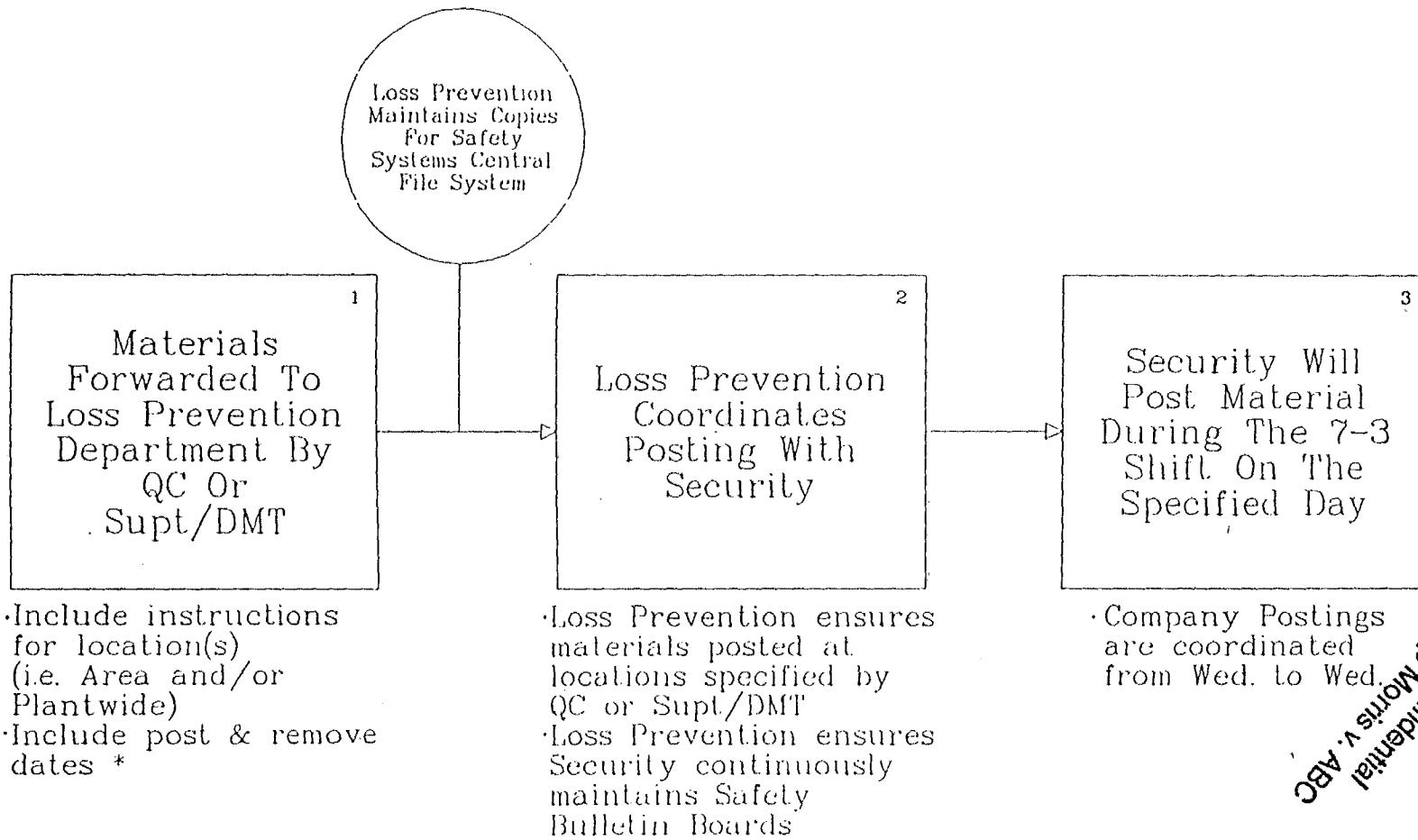
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Safety Bulletin Board (Process & Location)

2030284127

POSTING PROCESS FOR SAFETY BULLETIN BOARDS



*To ensure effective and timely communications, please coordinate posting dates from Wednesday to Wednesday.

SAFETY BULLETIN BOARD LOCATIONS

- Environmental (north wall in control room)
- Power House (near office)
- Warehouse (breakroom)
- Receiving Line I (behind breakroom)
- Blending Line I/II (breakroom)
- Stock Prep Line I (control room)
- Stock Prep Line II (control room)
- Machine Room Line I/II (control room)
- Shipping & Packing Line I/II (behind Shipping Supv's office)
- Receiving Line III (breakroom)
- Blending Line III (control room)
- Stock Prep Line III (outside wall between Supv's office)
- Machine Room Line III (control room)
- Packing Line III (control room)
- E/I Shop
- Mechanical Shop
- Stock room
- Lab Services (office area)
- Area 61 (next to elevator)
- Administration Building (1st floor)

2030284129

Communication Flows

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The following flow charts, organized by reporting structures of the plant, indicate which job positions communicate safety information and to whom [job position(s)] they deliver safety information.

2030284130

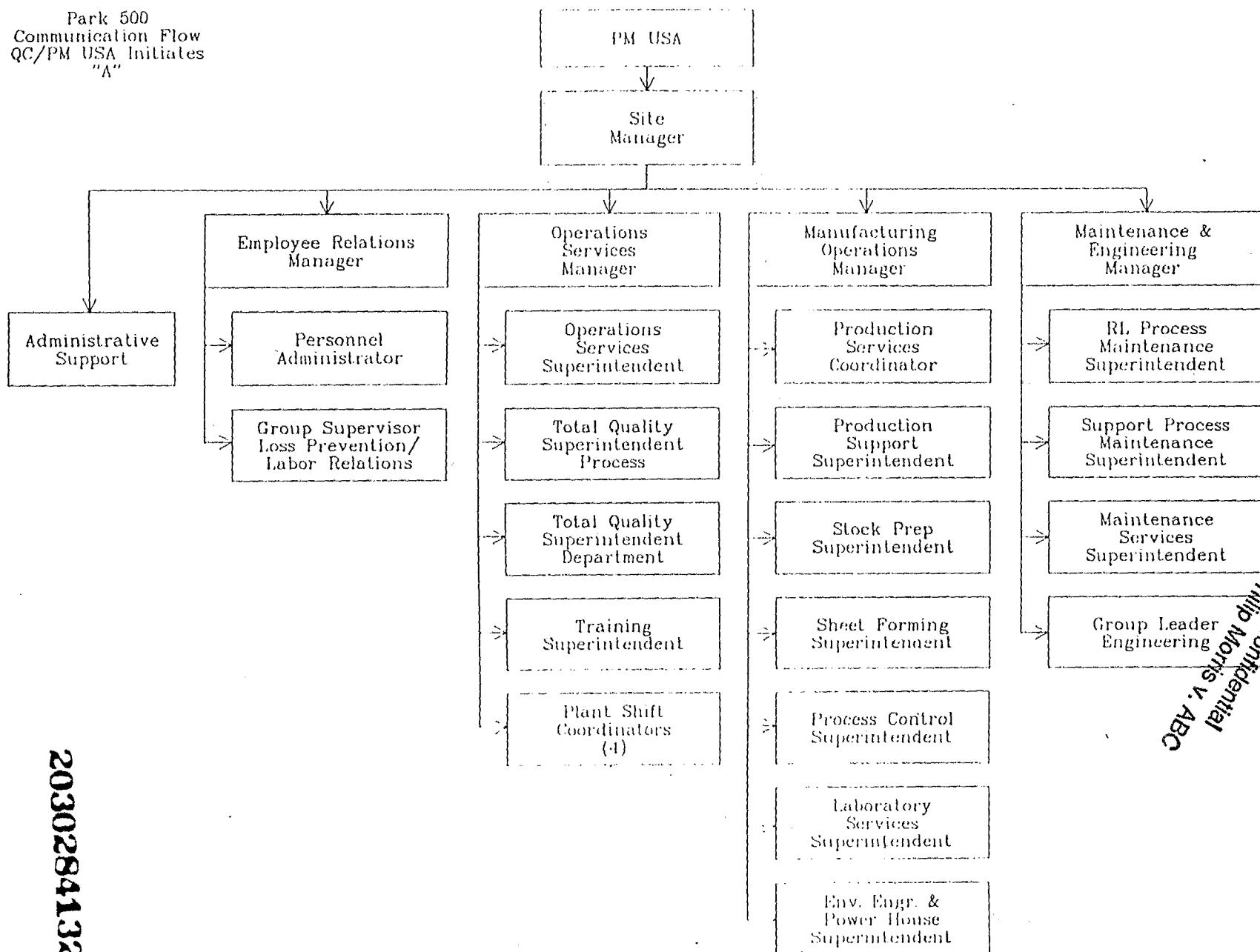
Flows of Communications

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<u>Initiation</u>	<u>Department</u>	<u>Code</u>
QC/or PM USA	(Employee Relations)	"A-1"
QC/Dept. Manager/DMT	(Operations Services)	"A-2"
QC/Dept. Manager/Supt.	(Manufacturing Operations)	"A-3"
QC/Dept. Manager	(Production Services Coord.)	"A-3.1"
QC/Dept. Manager	(Production Support Supt.)	"A-3.2"
QC/Dept. Manager/Supt.	(Stock Prep Superintendent)	"A-3.3"
QC/Dept. Manager/Supt.	(Sheetforming (MR) Supt.)	"A-3.4"
QC/Dept. Manager/Supt.	(Process Control Supt.)	"A-3.5a"
QC/Dept. Manager/Supt.	(Process Control)	"A-3.5b"
QC/Dept. Mgr./Supt./DMT	(Lab Services Superintendent)	"A-3.6"
QC/Dept. Mgr./Supt./DMT	(Env. Engr. & PowerHouse Supt.)	"A-3.7"
QC/Dept. Mgr./Supt./DMT	(Maintenance & Engineering)	"A-4"
QC/Dept. Manager	(RL Process Maint. Supt.)	"A-4.1"
QC/Dept. Mgr./Supt./DMT	(Support Process Maint. Supt.)	"A-4.2"
QC/Dept. Mgr./Supt./DMT	(Maintenance Services Supt.)	"A-4.3"
QC/Dept. Mgr./Supt./DMT	(Group Leader Engineering)	"A-4.4"

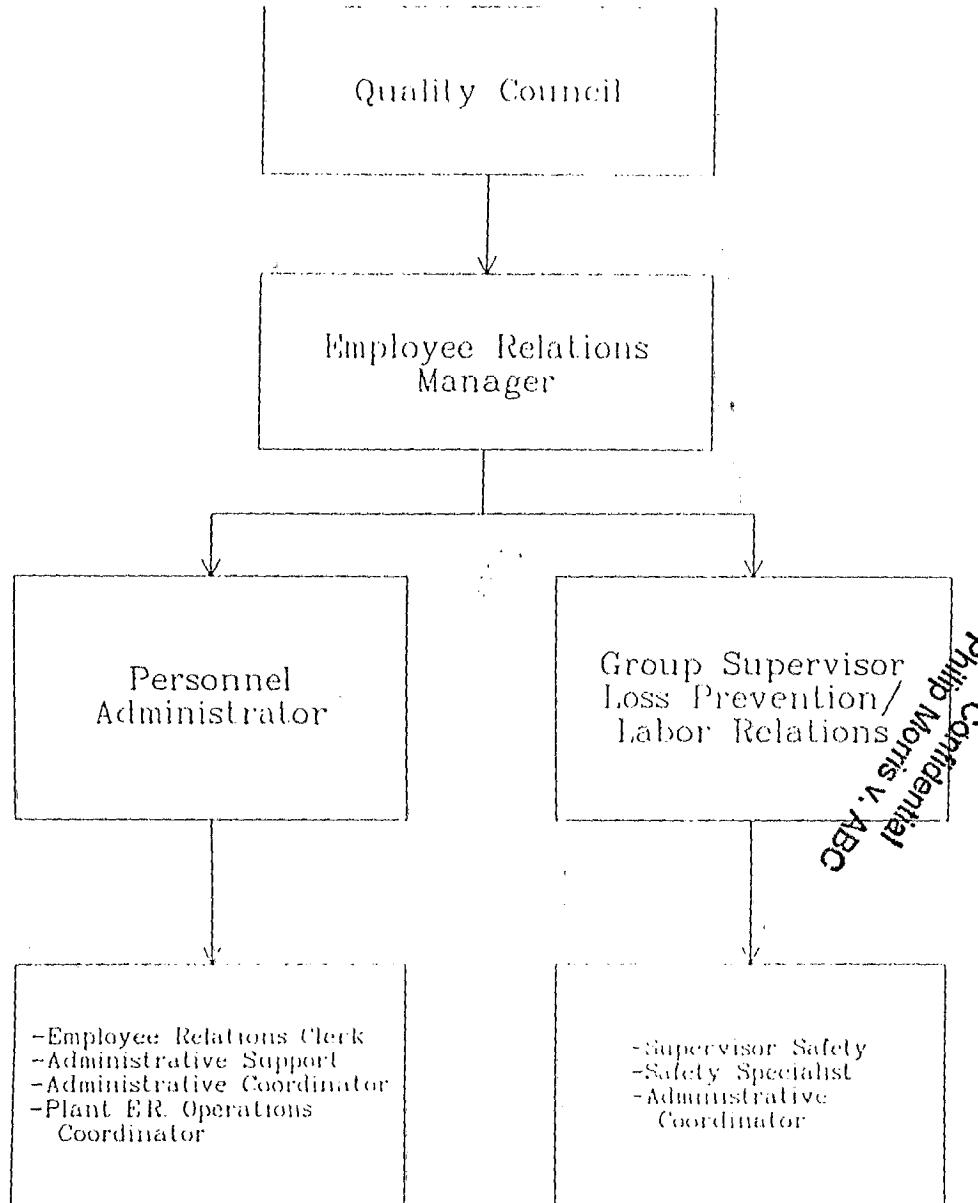
2030284131

Park 500
Communication Flow
QC/PM USA Initiates
"A"



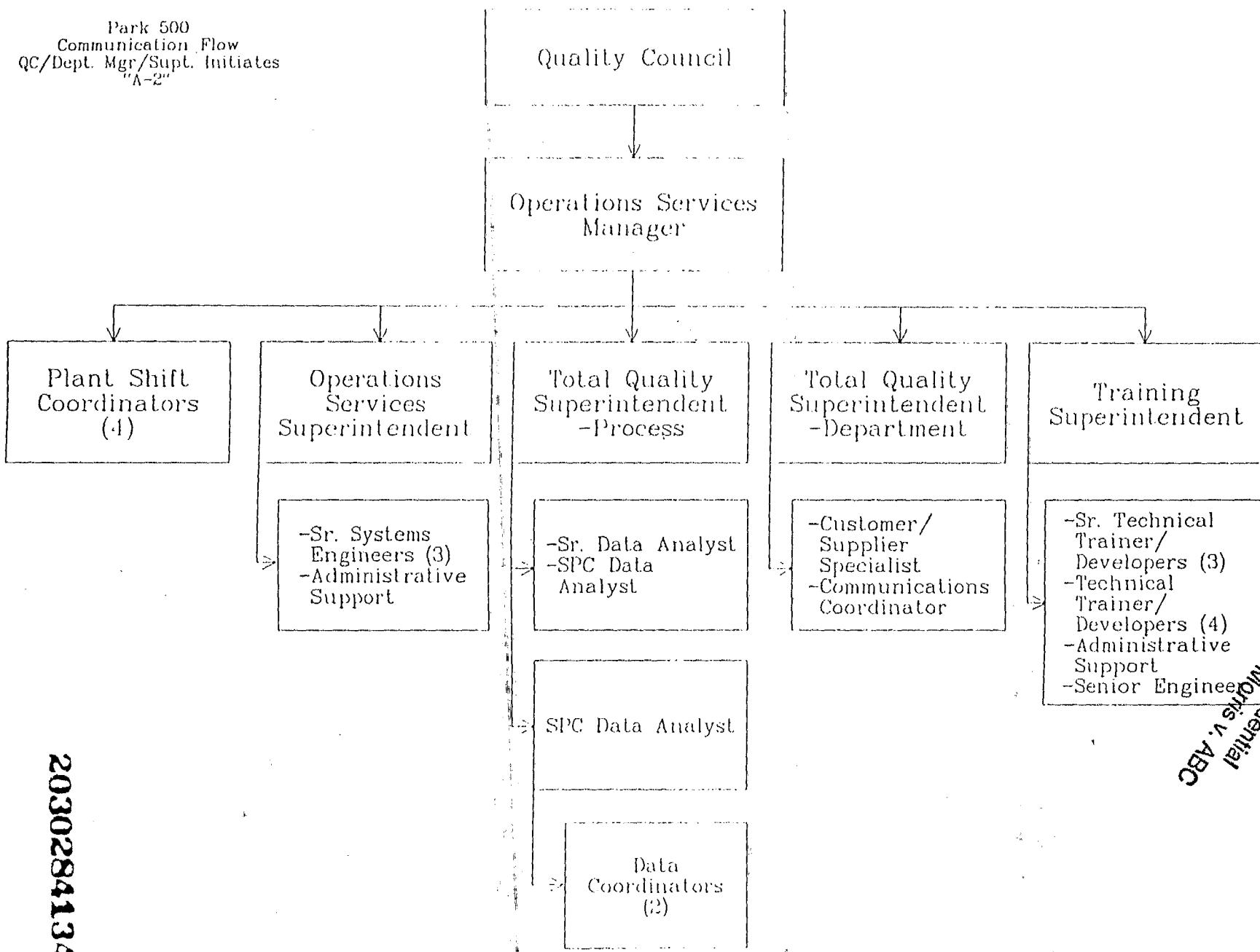
2030284132

Park 500
Communication Flow
QC/Dept Mgr/DMT Initiates
"A-1"



2030284133

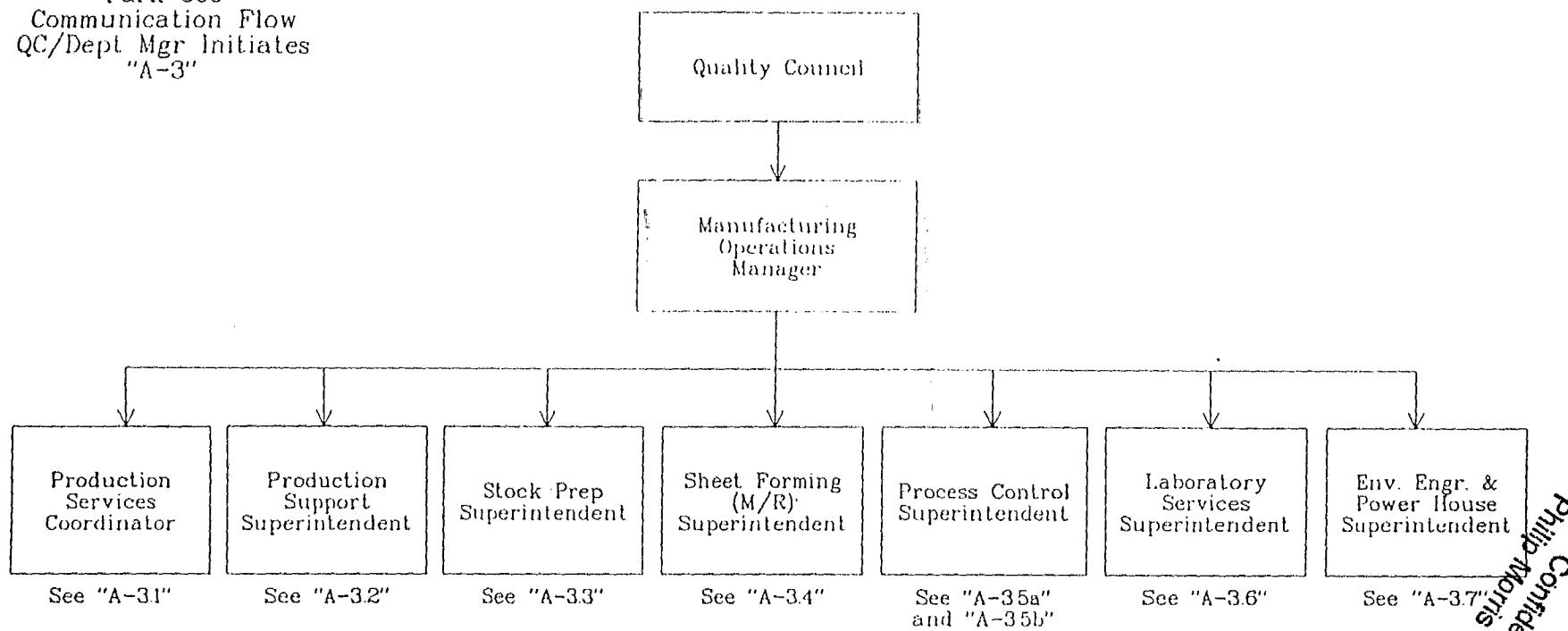
Park 500
Communication Flow
QC/Dept. Mgr/Supt. Initiates
"A-2"



Philip Morris, ABC
Quality Council

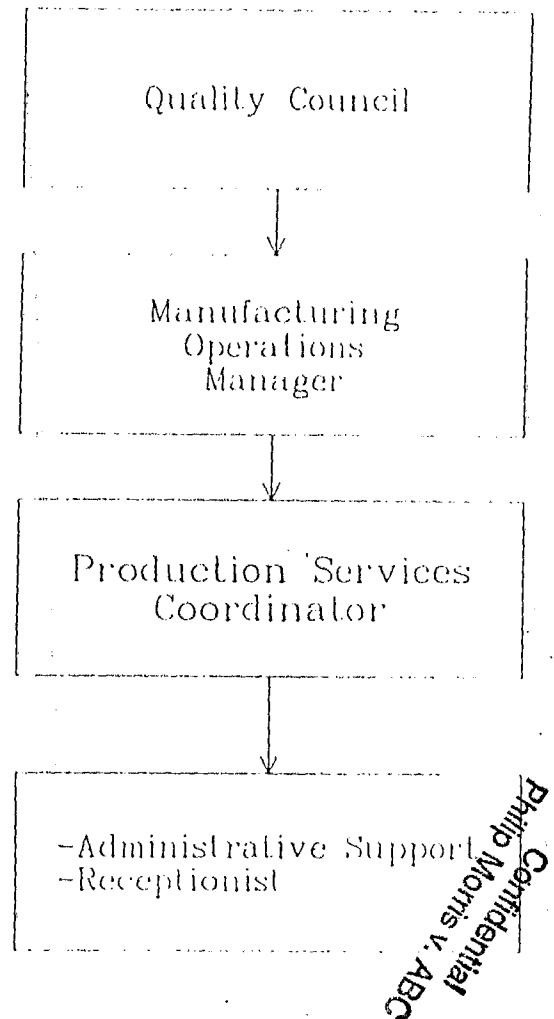
2030284134

Park 500
Communication Flow
QC/Dept Mgr Initiates
"A-3"



2030284135

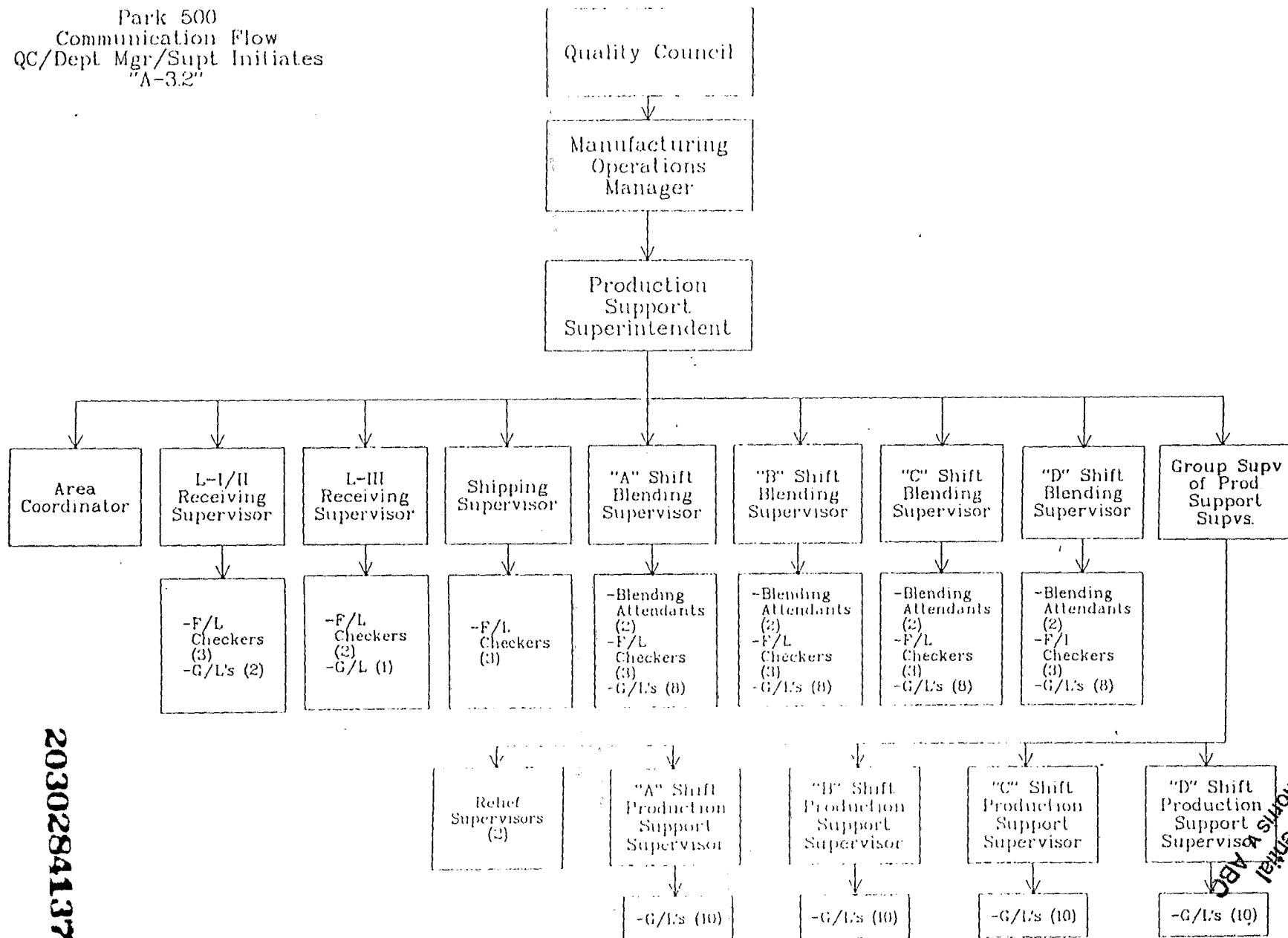
Park 500
Communication Flow
QC/Dept Mgr Initiates
"A-31"



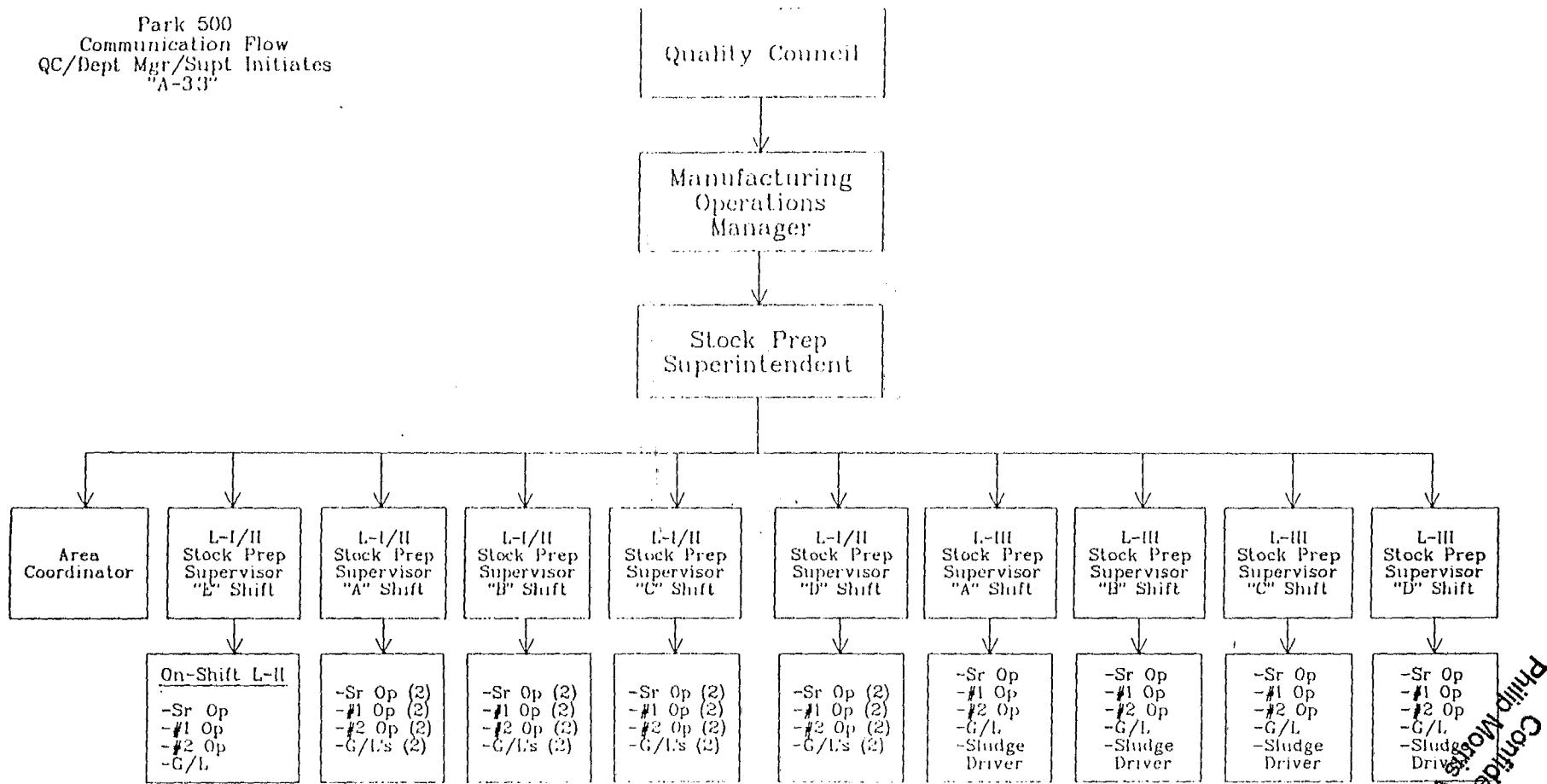
Park 500
Communication Flow
QC/Dept Mgr Initiates
"A-31"

2030284136

Park 500
Communication Flow
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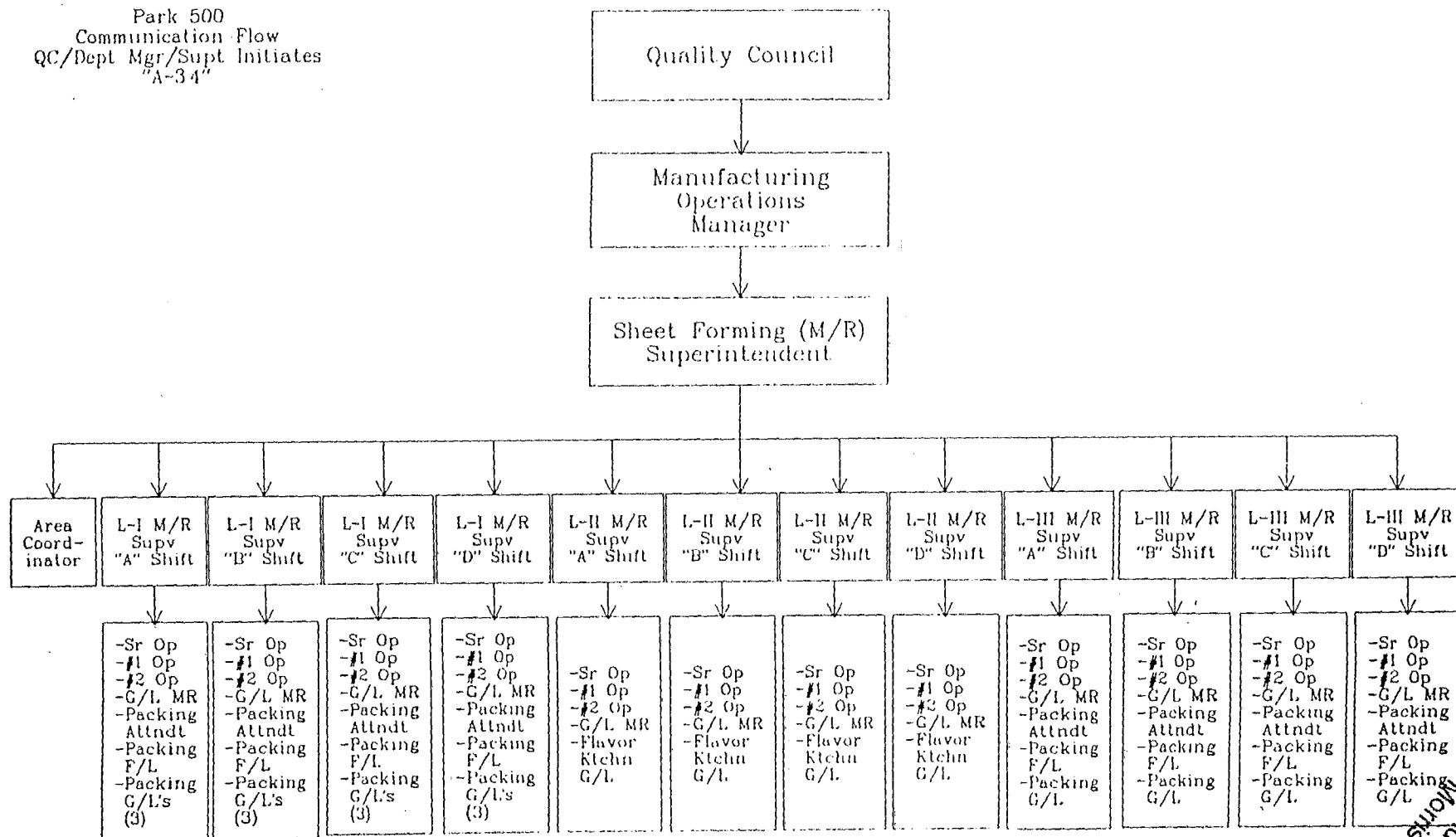


Park 500
Communication Flow
QC/Dept Mgr/Supt Initiates
"A-33"



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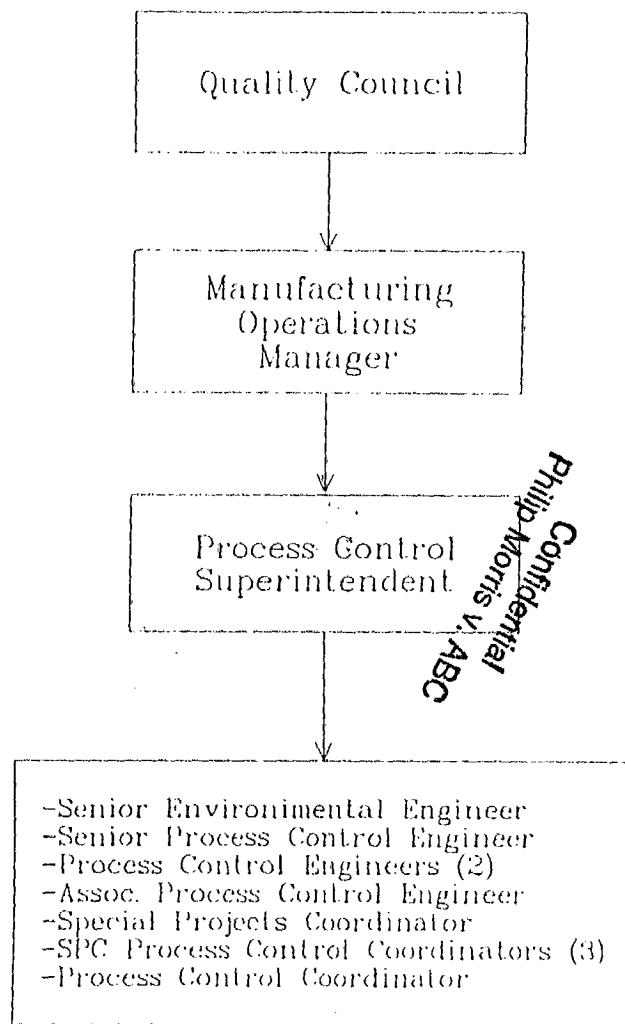
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QC/Dept Mgr/Supt Initiates
"A-34"



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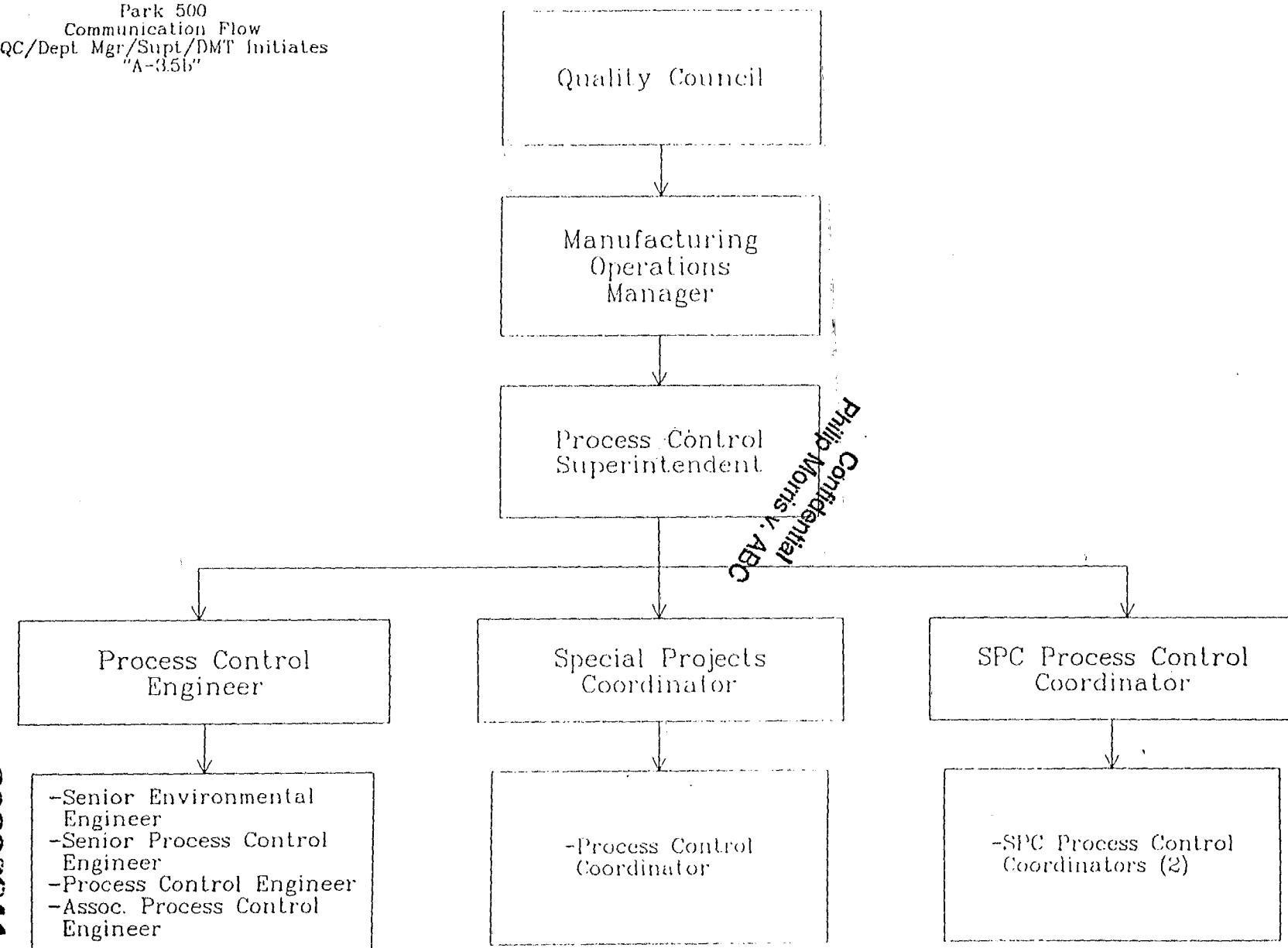
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"A-35a"



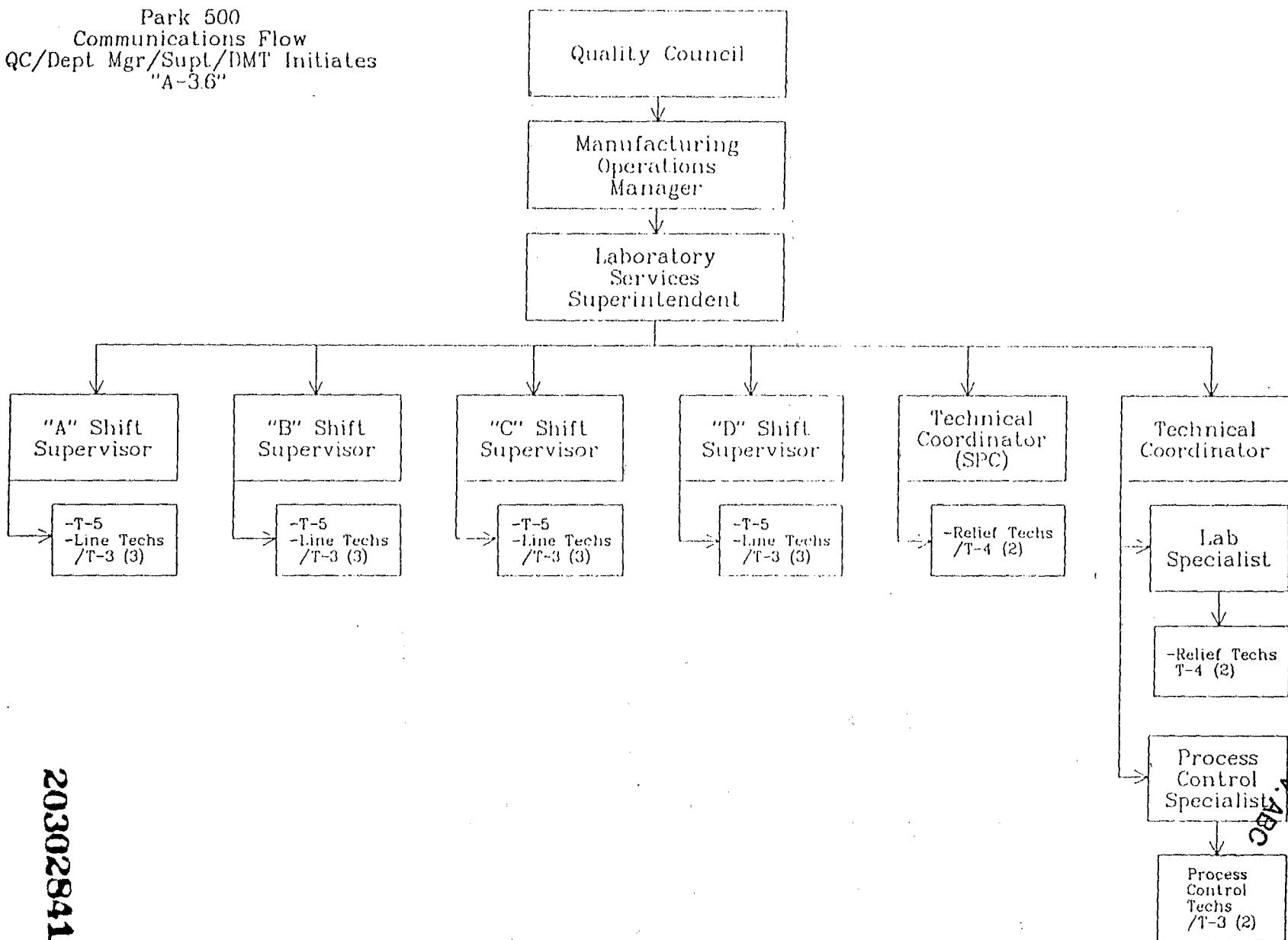
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Communication Flow
QC/Dept Mgr/Supt/DMT Initiates
"A-3.5b"



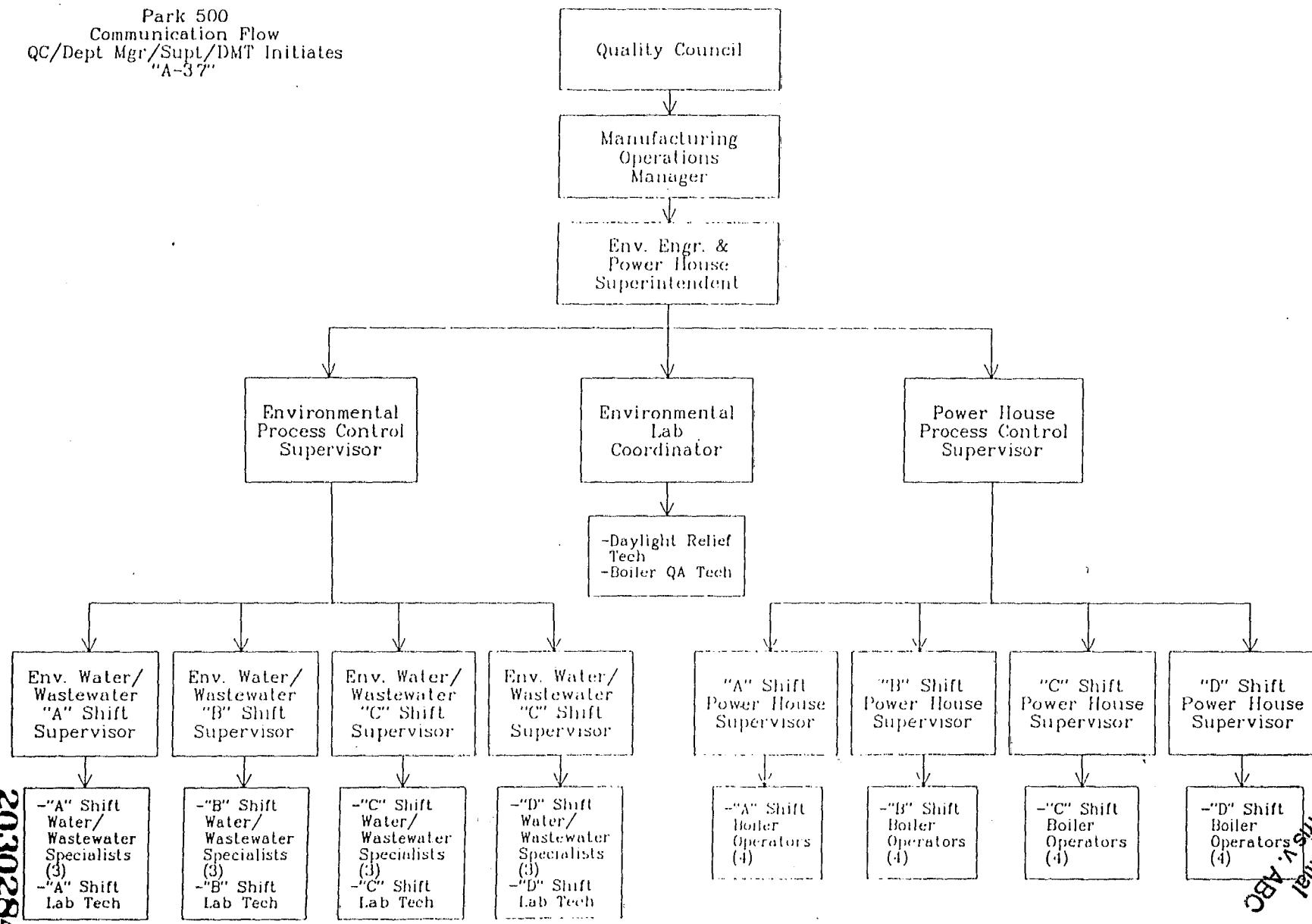
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Park 500
Communications Flow
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"A-3.6"

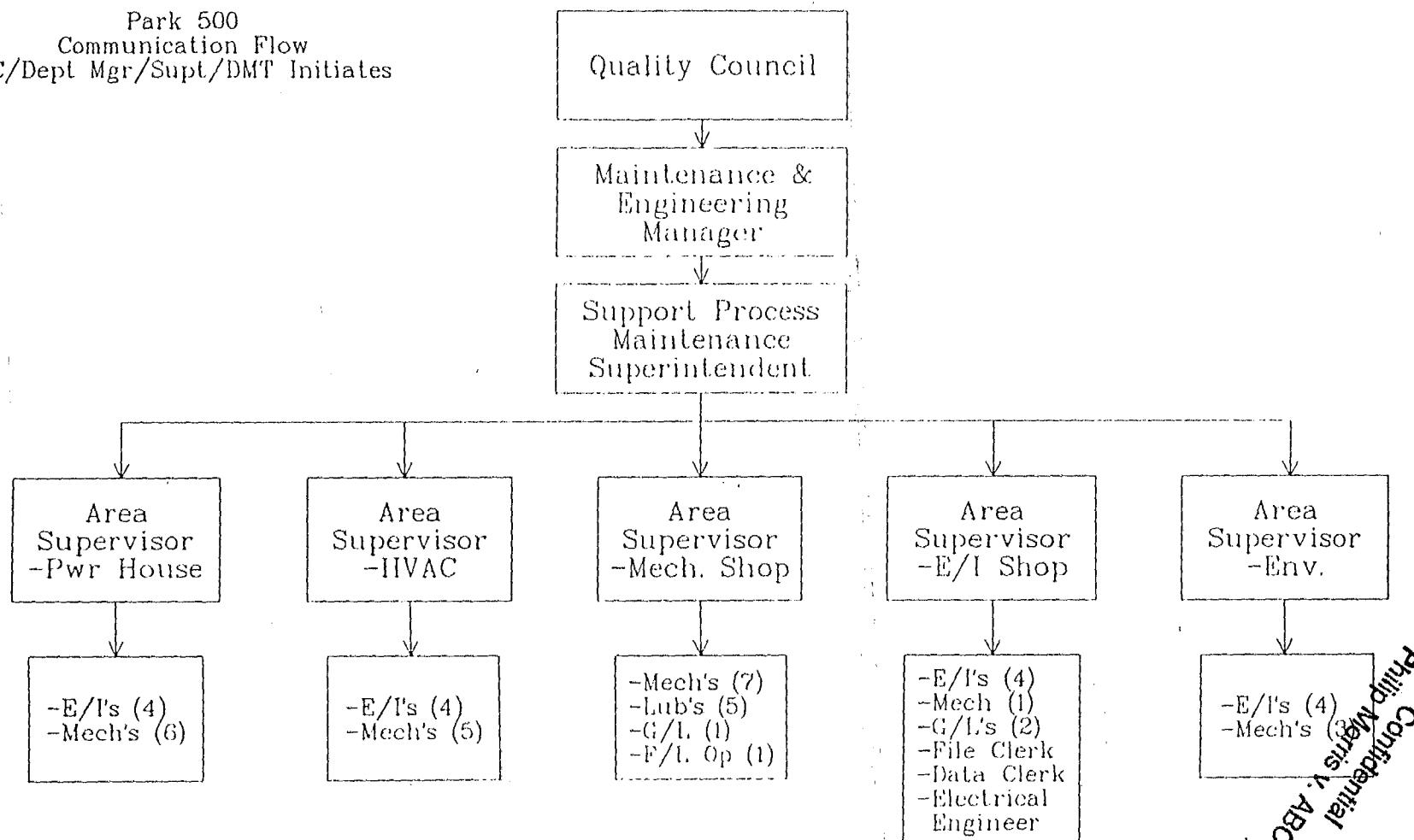


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Park 500
Communication Flow
QC/Dept Mgr/Supt/DMT Initiates
"A-37"

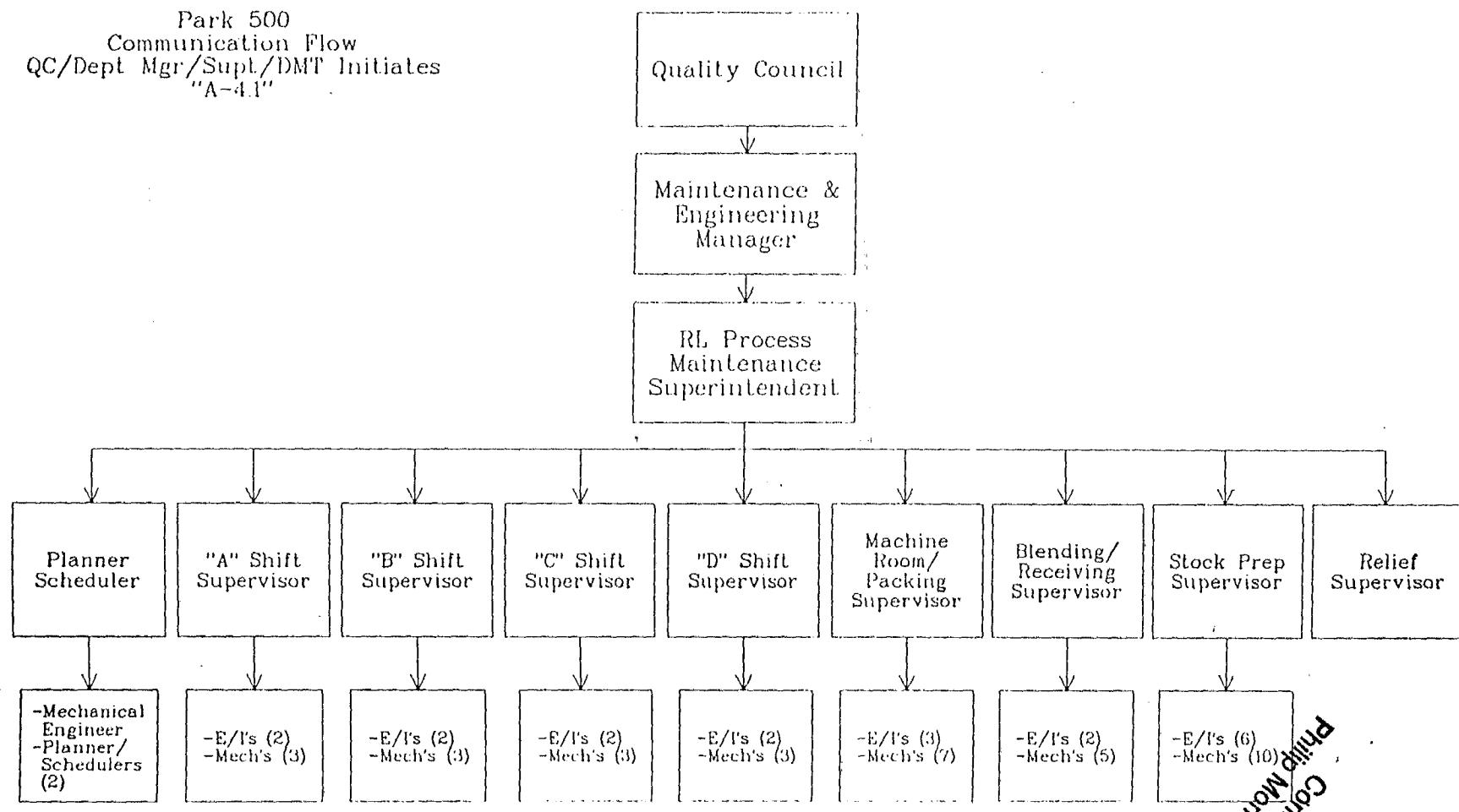


Park 500
Communication Flow
QC/Dept Mgr/Supt/DMT Initiates



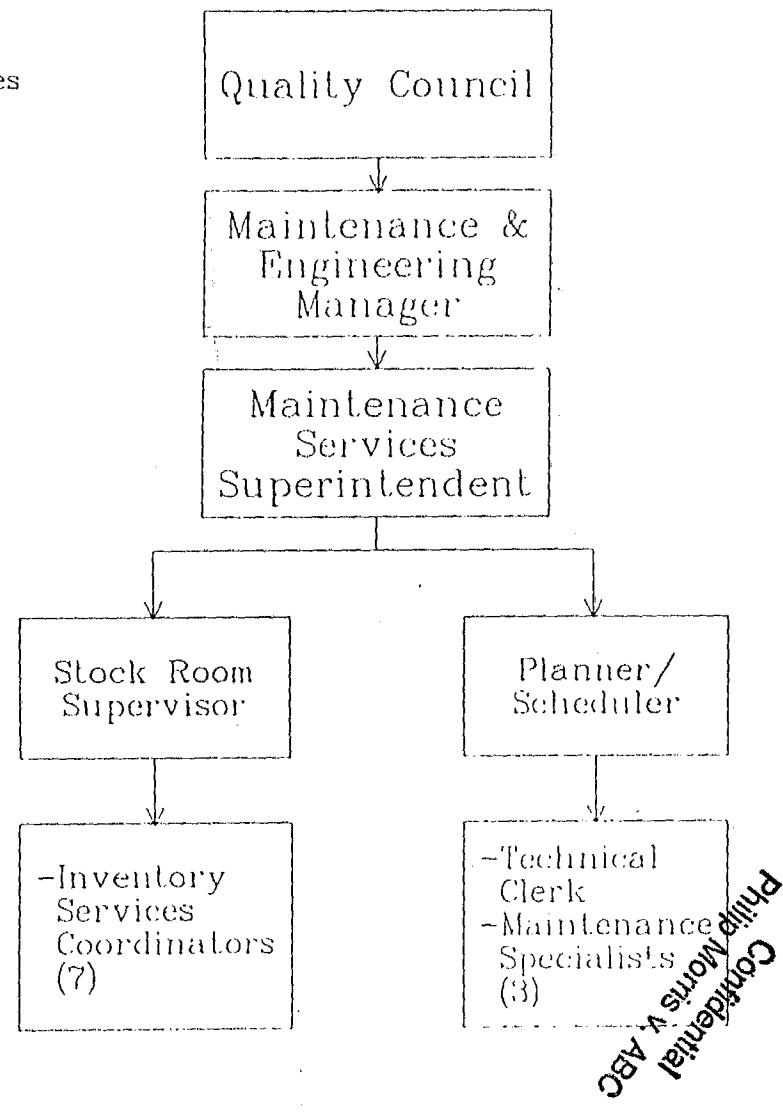
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Communication Flow
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"A-4.1"



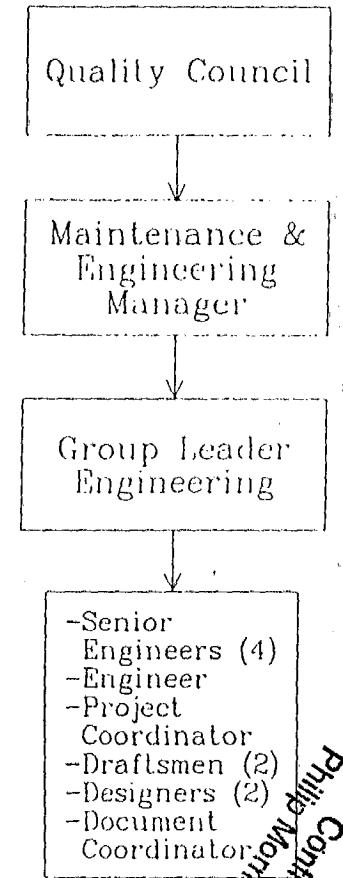
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Park 500
Communication Flow
QC/Dept Mgr/Supt/DMT Initiates
"A-4.3"



2030284146

Park 500
Communication Flow
QC/Dept Mgr/Supt/DMT Initiates
"A-4.4"



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Accountable Personnel Responsibilities

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Responsibilities for Communication Network

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Accountable Personnel	Responsibilities
Quality Council	<p><u>Originators</u></p> <ul style="list-style-type: none"> • Define purpose and content of the information to be communicated (Block 1). • Define type and method of communication (Block 1, 2). • Assign completion dates to Plantwide Safety System Communication Flow Chart (Block 2). • Ensure appropriate communication materials are prepared (Block 3). • Ensure designated communication method(s) is followed [Blocks 4(1), 4(2), 4(3)]. • Review and analyze "Audience & Presenter Summaries", take necessary actions (Block 13). <p><u>Presenters</u></p> <ul style="list-style-type: none"> • Understand and effectively communicate contents of communication packages to assigned audience group(s) in a timely manner [Blocks 6(1) - 8(1), 6(a) - 9(a)]. • Collect input/feedback from assigned audience group(s) and send through appropriate management structure in the allotted time frame [Blocks 7(a), 8(a), 7(1), 9(a), 10(1)]. • Send "Audience Questionnaire" & "Audience Summary" through appropriate management structure in the allotted time frame [Block 7(a), 7(1), 10(1), 11(1), 13(1)]. • Ensure "Future Presenters" are prepared to carry out required tasks [Blocks 7(a), 7(1)]. • Handle questions/concerns of assigned audience group to include getting correct answers from QC/DMT and proper resources as needed. • Adhere to all completion dates.
Superintendent	<p><u>Originators</u></p> <ul style="list-style-type: none"> • Define purpose and content of information to be communicated (Block 1). • Define type and method of communication (Block 1, 2). • Assign completion dates to Plantwide Safety System Communication Flow Chart (Block 2).

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RESP10.DIA

Responsibilities for Communication Network

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Accountable Personnel	Responsibilities
Superintendent	<p><i>Originators (continued)</i></p> <ul style="list-style-type: none"> • Ensure appropriate communication method(s) is followed [Block 4(1), 4(2), 4(3)]. • Review and analyze "Audience & Presenter Summaries", take necessary action (Block 13). <p><i>Audience</i></p> <ul style="list-style-type: none"> • Adhere to meeting place and time. • Ask the Presenter questions when something is unclear or not understandable [Blocks 7(a), 10(1)]. • Thoroughly fill out "Audience Questionnaire" (when requested) in a timely manner [Blocks 7(a), 9(1), 11(1), 12(1)]. • Carry out necessary actions as required to include feedback/Inputs [Blocks 6(1), 8(1), 9(1), 11(1), 12(1)]. <p><i>Presenters</i></p> <ul style="list-style-type: none"> • Understand and effectively communicate contents of communication packages to assigned audience group(s) in a timely manner [Blocks 6(1) - 8(1), 6(a) - 9(a)]. • Collect input/feedback from assigned audience group(s) and send through appropriate management structure in the allotted time frame [Blocks 7(a), 8(a), 7(1), 9(a), 10(1)]. • Send "Audience Questionnaire" & "Audience Summary" through appropriate management structure in the allotted time frame [Block 7(a), 7(1), 10(1), 11(1), 13(1)]. • Ensure "Future Presenters" are prepared to carry out required tasks [Blocks 7(a), 7(1)]. • Handle questions/concerns of assigned audience group to include getting correct answers from QC/DMT and proper resources as needed. • Adhere to all completion dates.
Supervisor	<p><i>Audience</i></p> <ul style="list-style-type: none"> • Adhere to meeting place and time. • Ask the Presenter questions when something is unclear or not understandable [Blocks 7(a), 10(1)]. • Thoroughly fill out "Audience Questionnaire" (when requested) in a timely manner [Blocks 7(a), 7(1), 10(1)].

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RESP10CT.DIA

Responsibilities for Communication Networks

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Accountable Personnel	Responsibilities
Supervisor	<p><u>Audience (continued)</u></p> <ul style="list-style-type: none"> • Carry out necessary actions as required to include feedback/inputs [Blocks 6(1), 8(1), 9(1), 11(1), 12(1)]. <p><u>Presenters</u></p> <ul style="list-style-type: none"> • Understand and effectively communicate contents of communication packages to assigned audience group(s) in a timely manner [Blocks 6(1) - 8(1), 6(a) - 9(a)]. • Collect input/feedback from assigned audience group(s) and send through appropriate management structure in the allotted time frame [Blocks 7(a), 8(a), 7(1), 9(a), 10(1)]. • Send "Audience Questionnaire" & "Audience Summary" through appropriate management structure in the allotted time frame [Block 7(a), 7(1), 10(1), 11(1), 13(1)]. • Ensure "Future Presenters" are prepared to carry out required tasks [Blocks 7(a), 7(1)]. • Handle questions/concerns of assigned audience group to include getting correct answers from QC/DMT and proper resources as needed. • Adhere to all completion dates.
Work Force	<p><u>Audience</u></p> <ul style="list-style-type: none"> • Adhere to meeting place and time. • Ask the Presenter questions when something is unclear or not understandable [Blocks 7(a), 10(1)]. • Thoroughly fill out "Audience Questionnaire" (when requested) in a timely manner [Blocks 7(a), 7(1), 10(1)]. • Carry out necessary actions as required to include feedback/inputs [Blocks 6(1), 8(1), 9(1), 11(1), 12(1)]. <p><u>Presenters</u></p> <ul style="list-style-type: none"> • Understand and effectively communicate contents of communication packages to assigned audience group(s) in a timely manner [Blocks 6(1) - 8(1), 6(a) - 9(a)]. • Collect input/feedback from assigned audience group(s) and send through appropriate management structure to Superintendent in the allotted time frame [Block 7(a), 8(a), 7(1), 11(1)].

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Responsibilities for Communication Network

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Accountable Personnel	Responsibilities
Work Force	<p><u>Presenters (continued)</u></p> <ul style="list-style-type: none"> • Evaluate "Audience Questionnaires", take necessary actions [Blocks 7(a), 7(1), 9(a), 10(1)]. • Send "Presenter Questionnaire" & "Audience Summary" through appropriate management structure to Superintendent in the allotted time frame [Blocks 7(a), 7(1), 10(1), 11(1)]. • Ensure "Future Presenters" are prepared to carry out required tasks [Blocks 7(a), 7(1)]. • Handle questions/concerns of assigned audience group to include getting correct answers from QC/DMT and proper resources as needed. • Adhere to all completion dates.
Loss Prevention	<ul style="list-style-type: none"> • Ensure maintenance of safety bulletin boards [Blocks 4(2), 5(2)]. • Adhere to time frames and locations specified for posting and removing materials [Blocks 4(2), 5(2)].
SIT/DMT	<p><u>Originators</u></p> <ul style="list-style-type: none"> • Define purpose and content of the information to be communicated (Block 1). • Define type and method of communication (Block 1, 2). • Assign completion dates to Plantwide Safety System Communication Flow Chart (Block 2). • Ensure appropriate communication method(s) is followed [Blocks 4(1), 4(2), 4(3)]. • Review and analyze "Audience & Presenter Summaries", take necessary action (Block 13). <p><u>Audience</u></p> <ul style="list-style-type: none"> • Adhere to meeting place and time. • Ask the Presenter questions when something is unclear or not understandable [Blocks 7(a), 10(1)]. • Thoroughly fill out "Audience Questionnaire" (when requested) in a timely manner [Blocks 7(a), 7(1), 10(1)].

RESP10C3.DIA

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Responsibilities for Communication Network

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Accountable Personnel	Responsibilities
SIT/DMT	<p><u>Audience (continued)</u></p> <ul style="list-style-type: none">• Carry out necessary actions as required to include feedback/Inputs [Blocks 6(1), 8(1), 9(1), 11(1), 12(1)]. <p><i>Presenters</i></p> <ul style="list-style-type: none">• Understand and effectively communicate contents of communication packages to assigned audience group(s) in a timely manner [Blocks 6(1) - 8(1), 6(a) - 9(a)].• Collect input/feedback from assigned audience group(s) and send through appropriate management structure in the allotted time frame [Blocks 7(a), 8(a), 7(1), 9(a), 10(1)].• Evaluate "Audience Questionnaires" and "Presenter Questionnaires", take necessary action [Blocks 7(a), 7(1), 11(1)].• Send "Presenter Questionnaire" and "Audience Summary", through appropriate management structure in the allotted time frame [Blocks 7(a), 7(1), 10(1), 11(1), 13(1)].• Ensure "Future Presenters" are prepared to carry out required tasks [Blocks 7(a), 7(1)].• Handle questions/concerns of assigned audience group to include getting correct answers from QC/DMT and proper resources as needed.• Adhere to all completion dates.

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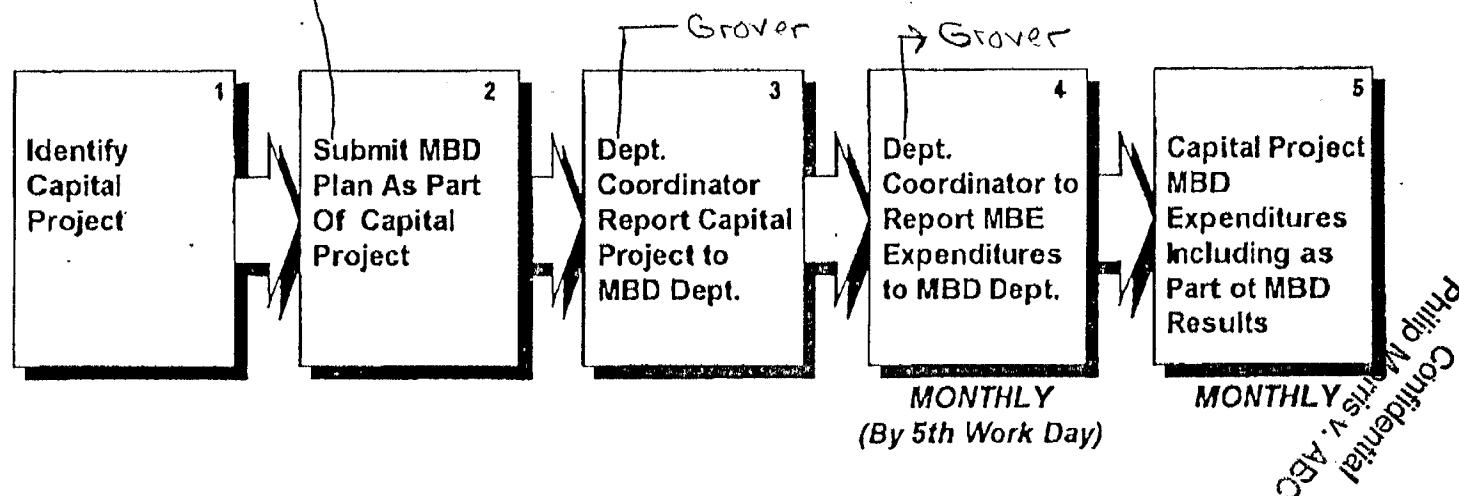
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Development

2030284154

SYSTEM FOR TRACKING MBD EXPENDITURES RELATED TO CAPITAL PROJECT

Project Requester or Coordinator should send copy of approved Job order and MBD Plan to Grover.



2030284155



TO: Ben B. Ussery, Jr.
FROM: _____ DATE: _____
RE: Minority Business Development (Due 5th Work Day)

CAPITAL/SUBCONTRACTING REPORTING FORMAT

DEPARTMENT NAME: _____
REPORTING PERIOD: _____

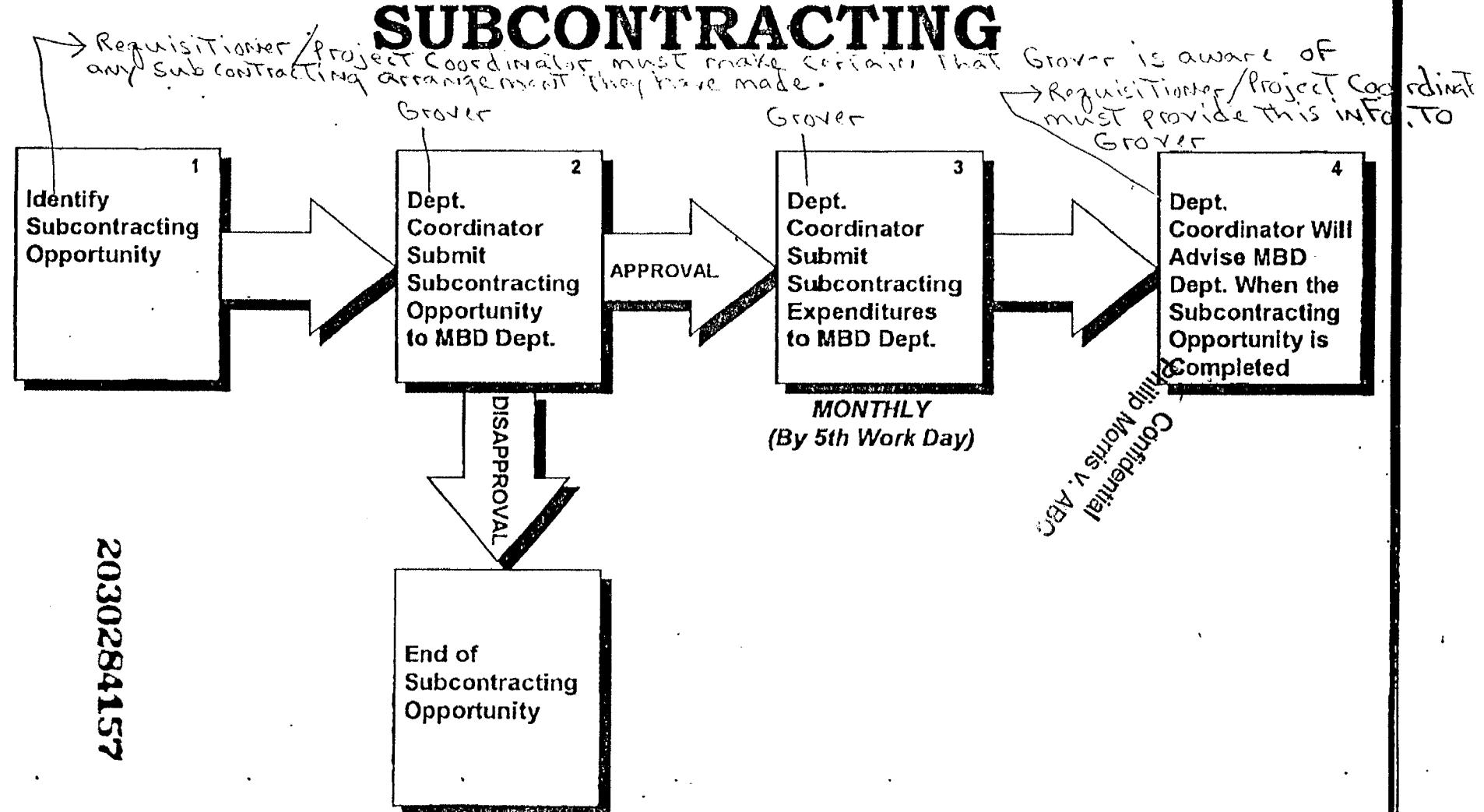
		<u>Actual Expenditures</u>	
		Current Month	Year-To-Date
		\$	\$
(Name of capital project or majority company:)			
MBE Classification	Name of MBE		
		\$	\$
		\$	\$
		\$	\$
		\$	\$
Total MBE Expenditures		\$	\$

Utilization rate: _____ %

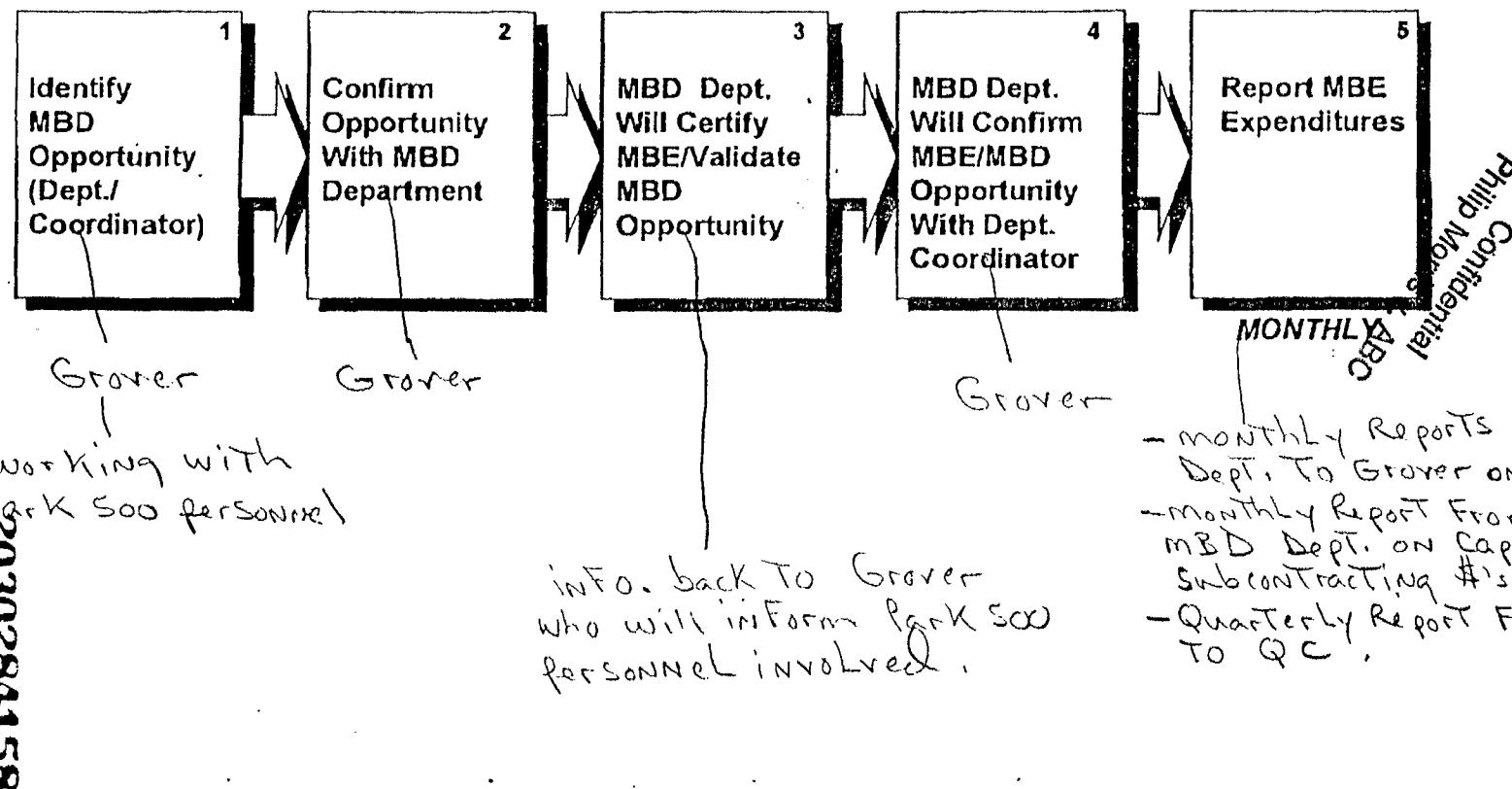
MBE Classification	
BL	African/Black American
HI	Hispanic American
NA	Native American
AP	Asian Pacific American
AI	Subcontinent Asian American
HJ	Hasidic Jewish American

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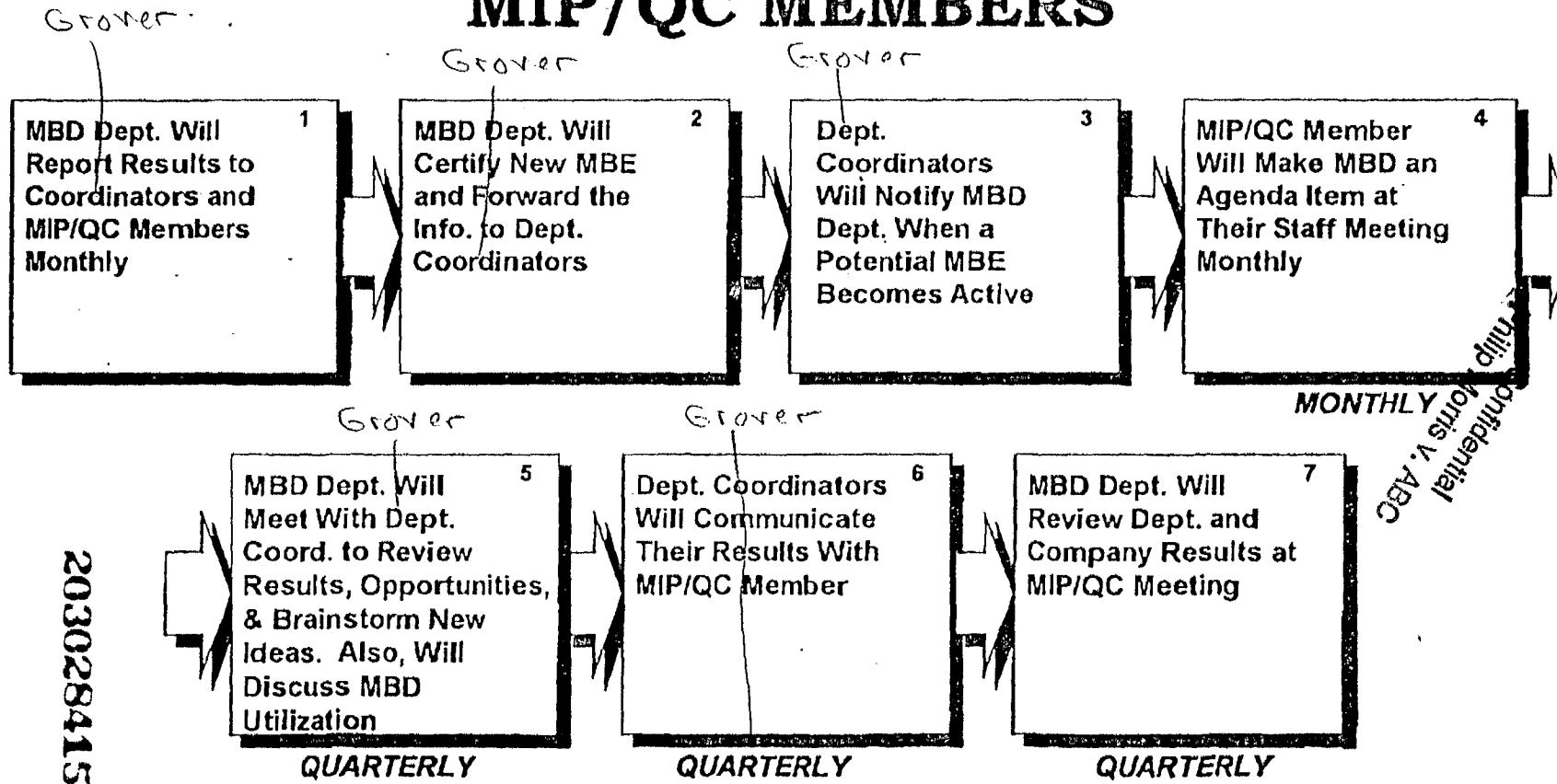
HOW TO CAPTURE MBD EXPENDITURES RELATED TO SUBCONTRACTING



HOW TO QUICKLY REVIEW A MBD OPPORTUNITY

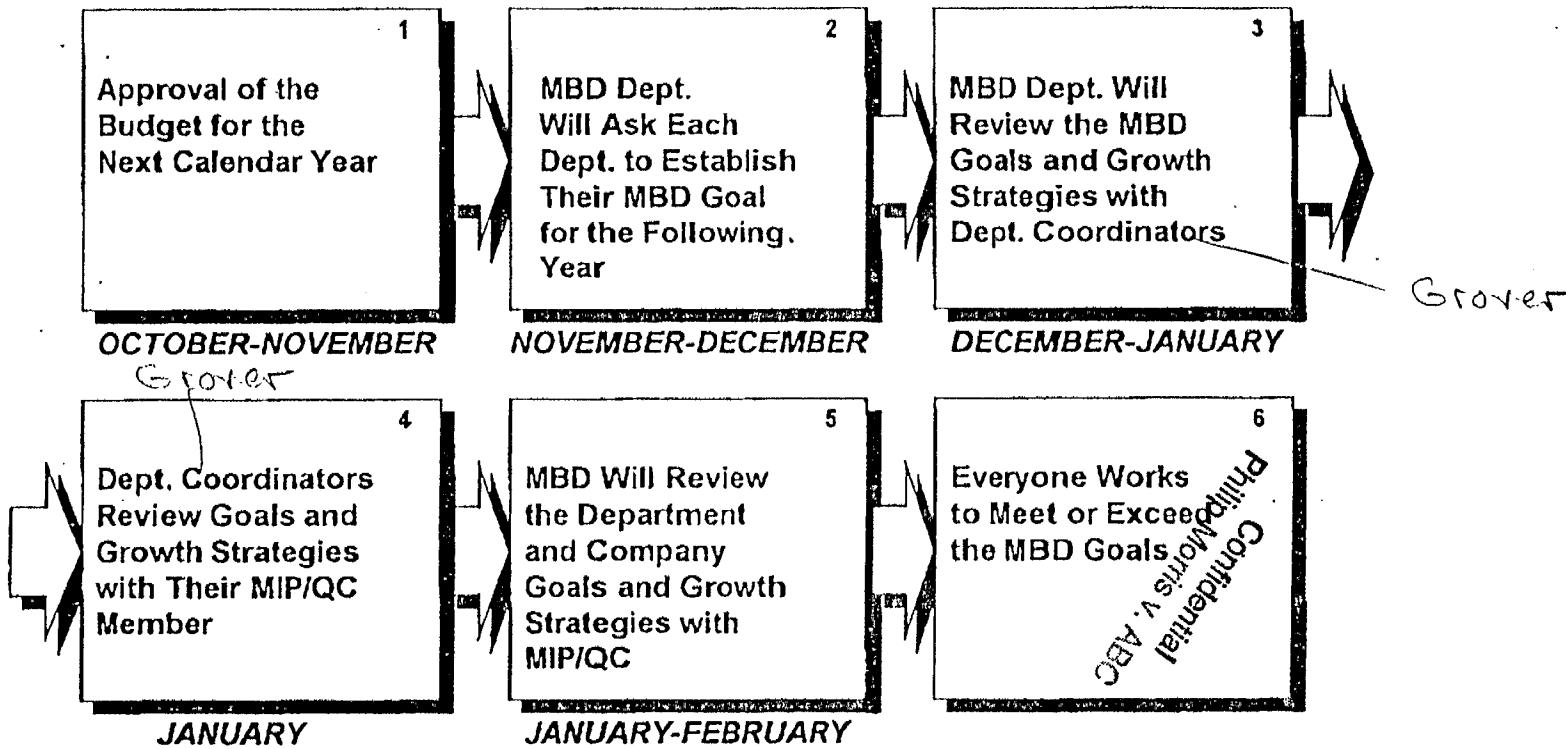


SYSTEM FOR COMMUNICATING, REVIEWING MBD GOALS AND RESULTS WITH DEPARTMENT COORDINATORS AND THE MIP/QC MEMBERS



2030284159

MBD GOAL SETTING



2030284160

MIP/QC:

Barry J. Case
Stephen C. Darrah
Thomas N. Gatz
Kenneth S. Houghton
Kurt Hunkeler
Robert D. Latshaw
Linda M. Markham
David Milby
Salvador Rivera
Raymond E. Taylor
William P. Taylor
Francis M. Watson, II
John M. Whitman

MBD DEPARTMENT COORDINATORS:

Asmus Alpen (Spare Parts)
George Anderson (Cabarrus)
David Hichak (BL)
Greg Huelsman
Richard Kelly (Direct Materials)
Glen Insley (Finance)
Norma Machich (R&D)
Allen Minter (Stockton St.)
Jimmy Narron (Park 500)
Bill Odom (MRO - Services)

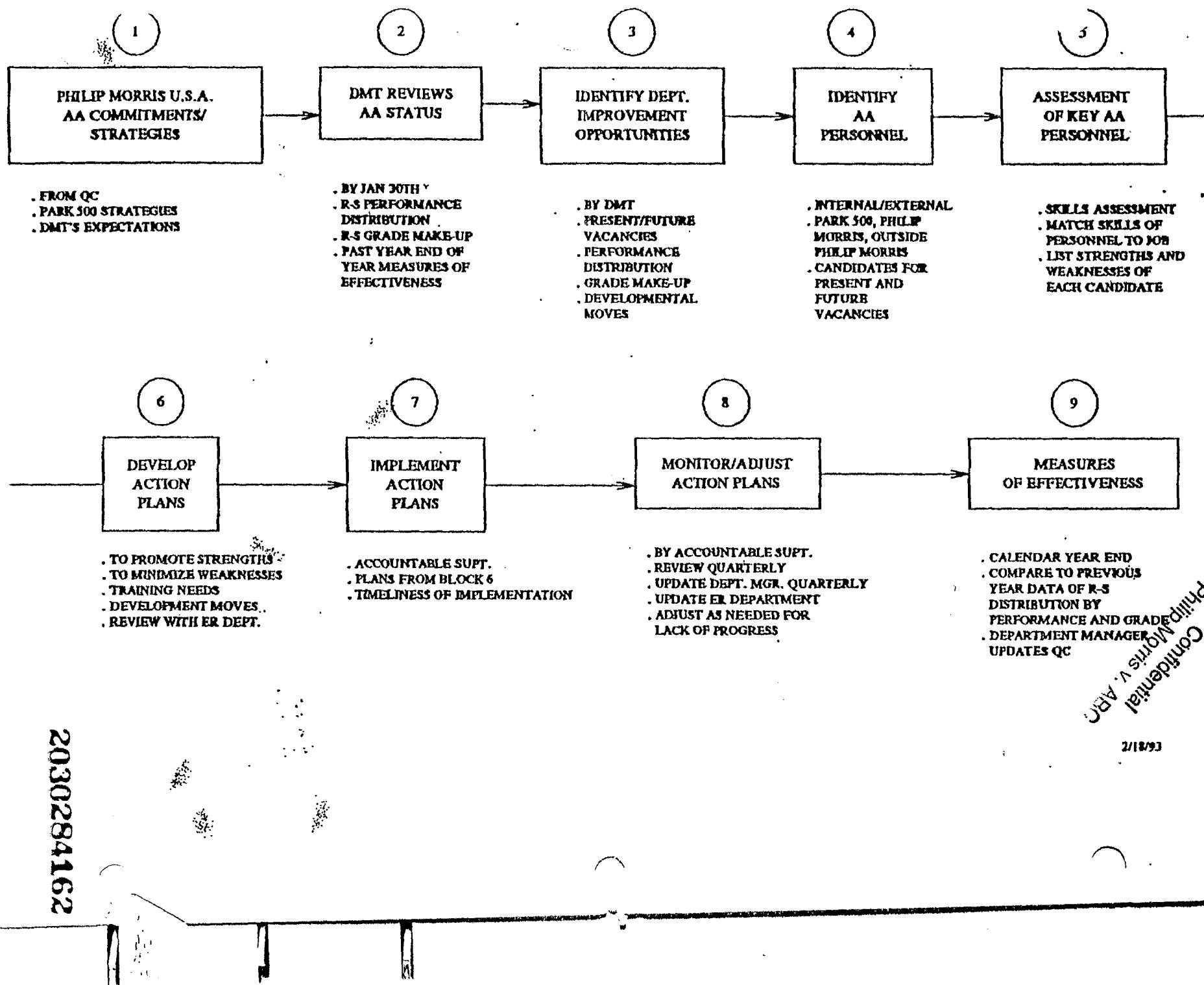
ATORS: *Philip Morris v. ABC* Confidential

Curtis Payne (HR)
Al Polson (Omnibus)
Early Reese (IS)
Carl Richardson (Off-site Distribution)
Don Schafer (Transportation)
Terry Sims (Engineering)
Skip Smith (M/C)
Jim Thomas (Leaf)
Ed Tucker (Flavor Center)
Richard Wraase (LPF)

MBD DEPARTMENT:

Ben Ussery

2030284161



TQITM

KEY PERFORMERS SYSTEM

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BACKGROUND

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The Key Performers System is a critical ongoing part of the TQI Process. It needs to be applied by the QC/PMT at the appropriate point on the MQP and approximately every twelve months thereafter. A "Key Performer" is defined as an individual who, as agreed upon by the QC/PMT as a team, has significantly and consistently demonstrated all three ingredients of knowledge, application and achievement of results that impact a plant's Total Quality Measures.

As a plant moves through the TQI Process, it will be evident that three "populations" of individuals will emerge. Those will be: (1) The Action group, those who "step off the line" and begin to use the principles, tools, methods, and systems; (2) The Fence Sitters, who will want to wait to see what happens; (3) The Blockers, who do not want it to happen or are incompatible with it. Correct application of the Key Performers System will help to move that critical mass of people in the Fence Sitting category into the Action category. Application of the system will involve measurement of the organization by the QC/PMT, Action steps to apply the results, and Communication of these outputs. The 13 step Key Performers Process covers each of these areas.

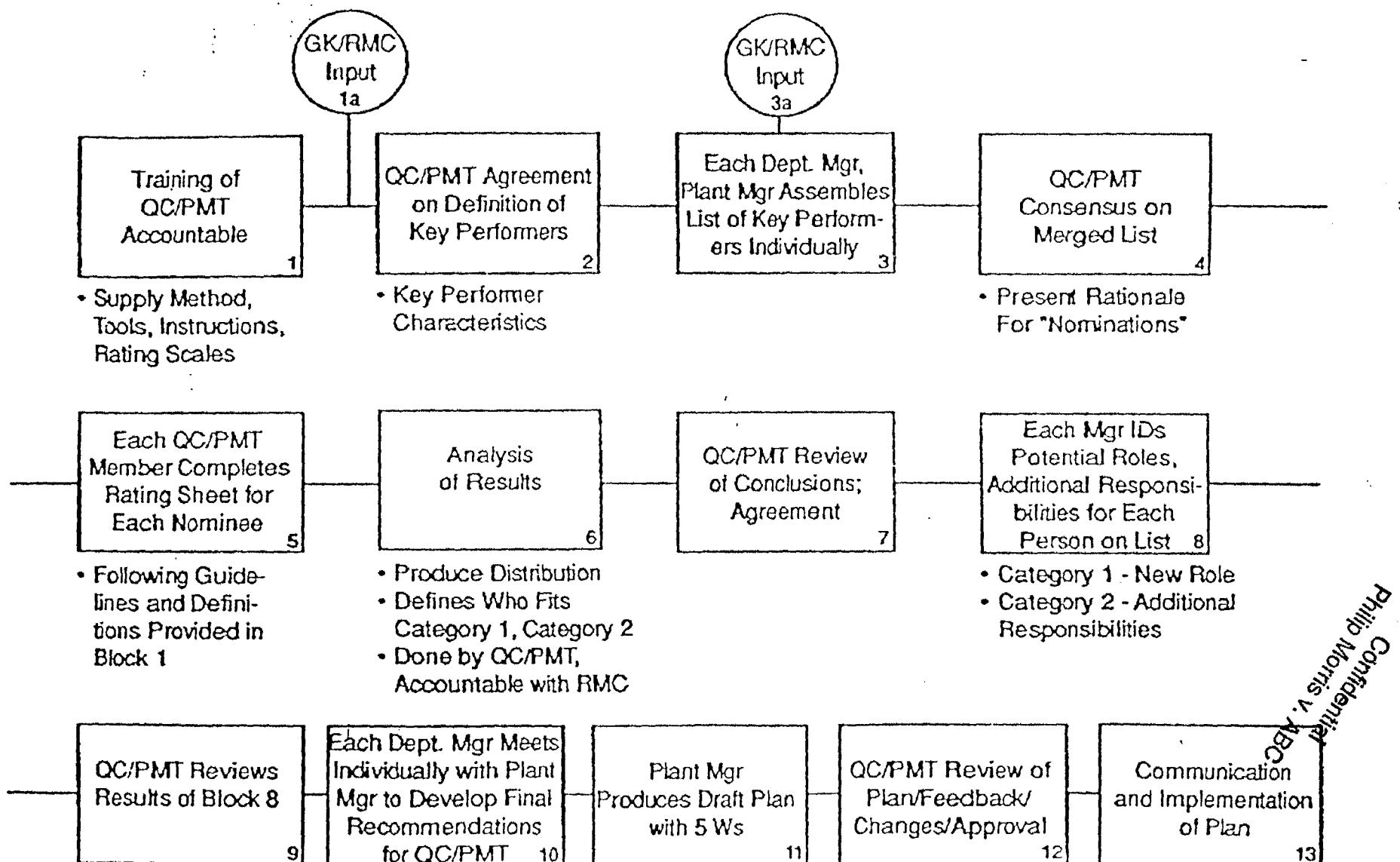
Experience has shown that there is a very strong correlation between the length of these lists in a plant and the amount of significant improvement in plant Total Quality Measures. It is an excellent predictor of whether you will see improvements. It has been seen that plants whose lists have grown rapidly have seen rapid change in TQMs, while plants whose lists have grown and then stopped have seen TQMs improve and then stagnate. Therefore, this "measure" is one that should be watched closely by the QC/PMT as a measure/predictor of improvements in the business.

The purpose of the system is threefold:

- To allow the QC/PMT to continually optimize - in a planned and deliberate manner - the personnel in the organization in order to achieve results
- To recognize and reward individuals for knowledge, action, and results
- To provide a measure of TQI progress and health so appropriate actions can be taken by the QC/PMT

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IMPLEMENTATION OF TQI™ KEY PERFORMERS SYSTEM



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SCALE VALUE

- 1 Lacks understanding. Superficial. Through actions and/or statements has demonstrated on several occasions a lack of real understanding of TQI.
- 2 Understanding may be present. No apparent conflicts with actions/statements, but no demonstrated evidence either.
- 3 Appears to understand thoroughly only those activities or components in which they have been involved. Other components are vague or have been unable to answer questions on them.
- 4 Overall TQI understanding is good. Knows some components more thoroughly than others. Sometimes has difficulty translating into daily actions but attempts are routinely made.
- 5 Capable of explaining all components of MQP - purpose, major activities, benefits, supporting activities necessary of their department or function. Have seen evidence of attempting to help others better understand TQI through coaching, instructing, explanations in meetings, casual conversations.

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CATEGORY DESCRIPTORS: ACTIONS

1 Involvement limited to few activities. Participated, but "gone through motions" where required.

2 Participated in several activities/systems. Active. Makes contributions. Many actions outside these activities are inconsistent with principles, tools, methods, conflicting with systems.

3 Has performed very well in many activities/systems required. Consistently applies tools, methods, systems when opportunity presents itself. Is consistently driven by the need to appropriately use system/method/tool to achieve a desired result or benefit.

4 Same characteristics as 3 and they have shown initiative in ensuring tools/methods/systems/principles are used to achieve results inside and outside of their department. Consistently forces others, groups to push towards a result when bogged down.

5 Exceptional in their consistency of individual actions to conform to principles, utilize TQI systems created in the plant and to achieving results using TQI methods/tools. As they undertake most tasks, continually operate and think in TQI terms. Continually seeks out ways to achieve additional results through new ways to utilize the tools and apply the principles in everyday actions. Usually helps others in pointing out opportunities to utilize methods to get a result. Routinely demonstrates initiative in use of TQI with peers and "subordinates". Has made the full leap from knowledge to actions to results.

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KEY PERFORMERS RATING SYSTEM

NAME _____

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CATEGORY	WEIGHT	RATING
Understanding	<u>15</u>	_____
Belief/Commitment	<u>20</u>	_____
Actions	<u>30</u>	_____
Proponent	<u>35</u>	_____

Directions:

For each employee to be evaluated, assign a scale number for each category (e.g. 4,3,2,2). Select the descriptor in each category that best describes the candidate. No one level will fit perfectly.

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- You will typically come out of this rating with two categories of Key Performers with two different types of actions necessary by the QC/PMT:
 - ↳ Category 1 - What actions (new positions, additional responsibilities) can we take with respect to these people over the next 6-12 months.
 - ↳ Category 2 - How can we deliberately involve them in more activities and systems to grow their capabilities.
- Keep in mind that this rating is still somewhat subjective in nature. Attempt to pick the description which comes closest to describing the employee - no one scale value will fit any employee perfectly.
- Rate each employee independently against the scale. We are not attempting to rate one employee against another. Base your rating on visible evidence that you have seen or inputs you have gathered from appropriate resource.
- QC/PMT should not be forced to evaluate individual for whom they feel they do not have enough data.
- This system needs to be utilized in three ways:
 - ↳ As a measurement tool of TQI progress for the organization. (If this list does not grow, continued results in Total Quality Measures improvement will not occur.)
 - ↳ To make future implementation activity assignments. Move people into different jobs. Expand responsibilities in existing jobs.
 - ↳ To feed Category 1 people into Recognition System.

2030284169

1. Each QC/PMT member completes an evaluation sheet on each Key Performer candidate. (Block 4 consensus list)
2. Calculate total Weighted Score for each candidate for each QC/PMT evaluation.
3. Calculate median (across all QC/PMT members) for each candidate. [Do not go further if candidate is not evaluated by 3 or more QC/PMT members]
- 4a. Calculate \bar{X} and standard deviation for population of candidates.
 - b. Produce normal probability plot.
 - c. Compute Z score for each candidate.
- 5.* Assign Category 1 to all who fall at -.5 and up.
Assign Category 2 to all who fall between -2.0 and -.5

* Can be adjusted based on Probability Plot

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APPENDIX

2030284171

Facilitator Guidelines:

- Training & guiding the team
- Initiating/encouraging work to happen
- Measuring effectiveness of team progress
- Maintain flexibility in meetings
- Communication link to Manager
- Keep team within standardized process
- Prevent dominance/intimidation
- Reminding team of Principles
- Keep in mind that you are a role model and a change agent
- Allow constructive criticism
- When in doubt, find help
- Maintain balance between quality and quantity --
keep "real" world in mind
- Develop department capability while developing department systems
- Ensure proper team membership

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2030284172

Total Quality Measures for Departments

Definition and Purpose of TQM's

It is not only important to define Total Quality for the department but also to take the next step - define how it can and will be measured. At the plant level, the Quality Council defined the purpose and objectives of Q500 and defined how they would monitor the progress of Q500 through plant-wide Total Quality Measures. The Department Management Teams similarly develop the specific TQM's for the department.

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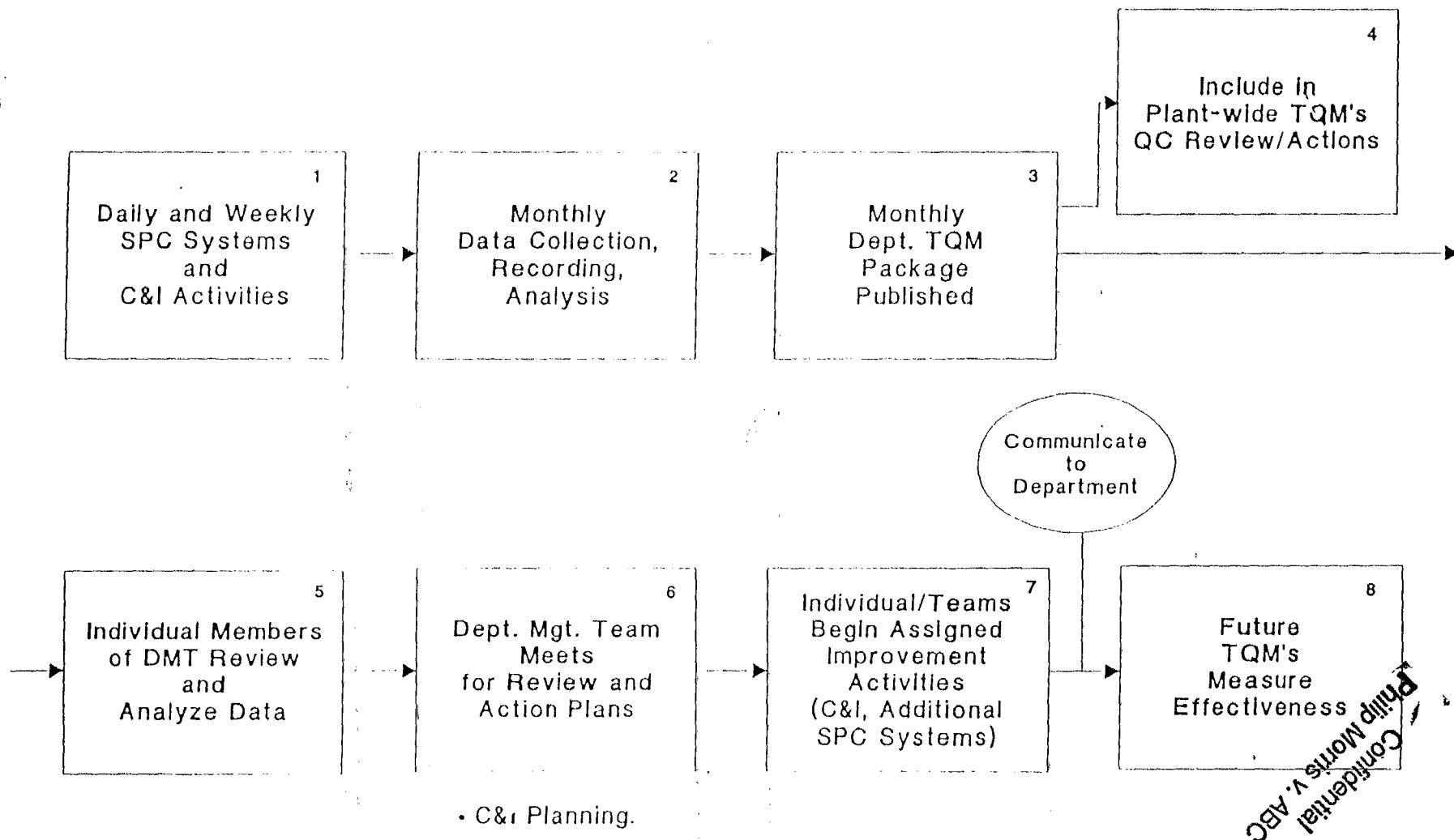
Purpose of TQM's

The Department Total Quality Measures will be used by the Department Management Team as well as the Quality Council. Each month these measures will be reviewed along with background information prepared by the accountable individual on the DMT. The Quality Council and the DMT must try not to manage by the numbers, but focus on the process to achieve improvement and resources needed. The objective is not just to make the numbers look better - but work on and achieve real improvement of products, processes and worklife.

All members of the department should receive periodic feedback and information on how the TQM's are performing. The flowchart on the following page summarizes how TQM's will be collected and used.

2030284174

Department Process to Use TQM System



2030284175

Using TQM's

How the Quality Council Uses Department TQM's

- On a routine basis, the Quality Council will review Department TQM's along with all other Park 500 TQM's and develop action plans.
- In addition to using Department TQM's, the Quality Council will also review Department Product TQFA information as measure of departmental performance.
- Department TQM's are an objective measure of the Department Management Team's performance.
- TQM's provide data for evaluating improvement of Department products, processes and worklife.
- Monitors how well the Department Annual Quality plans are written to improve the most important department operational issues.
- Evaluates the effectiveness of the Department Annual Quality Plans.
- Provides data and analysis for evaluating the interaction of Department parameters with other plant TQM's.
- Provides data for the Quality Council to initiate Project Teams for resolution of inter-departmental operational problems.

Quality Council Key Questions:

- Are the department's products, processes and worklife improving?
- Is the Department Annual Quality Plan addressing the right TQM's?
- Is the implementation of the Department Annual Quality Plan activities impacting TQM's (effectiveness of plans)?
- What is the performance of the Department Management Team in managing the improvement of department's products, processes and worklife?

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How the Department Management Team Uses Laboratory Services TQM's:

- On a routine basis (monthly), the Department Management Team will review data and discuss issues behind the information.
- Before each of these sessions, each member of this team will have a section summarized for discussion.
- Only significant changes (evidenced by out-of-control performance) deserve the time, attention and focus of the team.
- The Department Management Team will not only focus on the issue of consistency of these results but also the issue of desired level of changes.

Department Management Team Key Questions:

- What parameters are out-of-control?
- Have causes been identified?
- Are we satisfied with the explanations - causes given for out-of-controls?
- What resources (individual, team, department) are presently being utilized to address these causes?
- Do we need to ask a team/individual to provide more information to the DMT on this issue?
- Does the C&I Plan, or any activities in it, need to be modified to address this issue?
- Are the results of known, ongoing C&I Plan improvement efforts reflected in the data? If not, why not?
- What assignments need to be made of DMT members to follow up on these questions?
- What parameter levels are we not satisfied with and wish to initiate improvement activities?

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Total Quality Measures for Departments

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It is not only important to define Total Quality for the department but also to take the next step - define how it can and will be measured. At the plant level, the Quality Council defined the purpose and objectives of Q500 and defined how they would monitor the progress of Q500 through plant-wide Total Quality Measures. The Department Management Teams similarly develop the specific TQM's for the department.

Purpose

The Department Total Quality Measures will be used by the Department Management Team as well as the Quality Council. Each month these measures will be reviewed along with background information prepared by the accountable individual on the DMT. The Quality Council and the DMT must try not to manage by the numbers, but focus on the process to achieve improvement and resources needed. The objective is not just to make the numbers look better - but work on and achieve real improvement of products, processes and worklife.

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TQM System Definition

Total Quality Measures are the Quality Management System that defines the parameters of Total Quality and provides objective measurements for improvement efforts and to allocate resources. TQM's also reflect evidence or lack of evidence that the department's people and systems are continuously improving the quality of their products, processes and worklife.

Key Points:

- Provides current, quantifiable data on the most important measures of the department performance.
- Clearly identifies opportunities for improvement which have the greatest impact.
- Objectively measures performance.
- Directs the Department Management Team and department resources where they may be utilized most effectively.
- Provides the basis for allocation of capital, operating budget, manpower and outside resources which will be detailed each year in the Department Annual Quality Plan.
- Ensure that Department Management Team is working on improvement and not firefighting. Improvement does have a place in day-to-day activities.
- Provides data and analysis to measure the effectiveness of Q500 in the department.
- Insures that significant department measures are monitored and that appropriate conclusions are drawn and actions taken.
- Provides information to the Quality Council for monitoring and evaluating the department's improvement needs, plans and results.
- Is THE measure of department effectiveness and, along with TQFA's, is THE measure of improvement.

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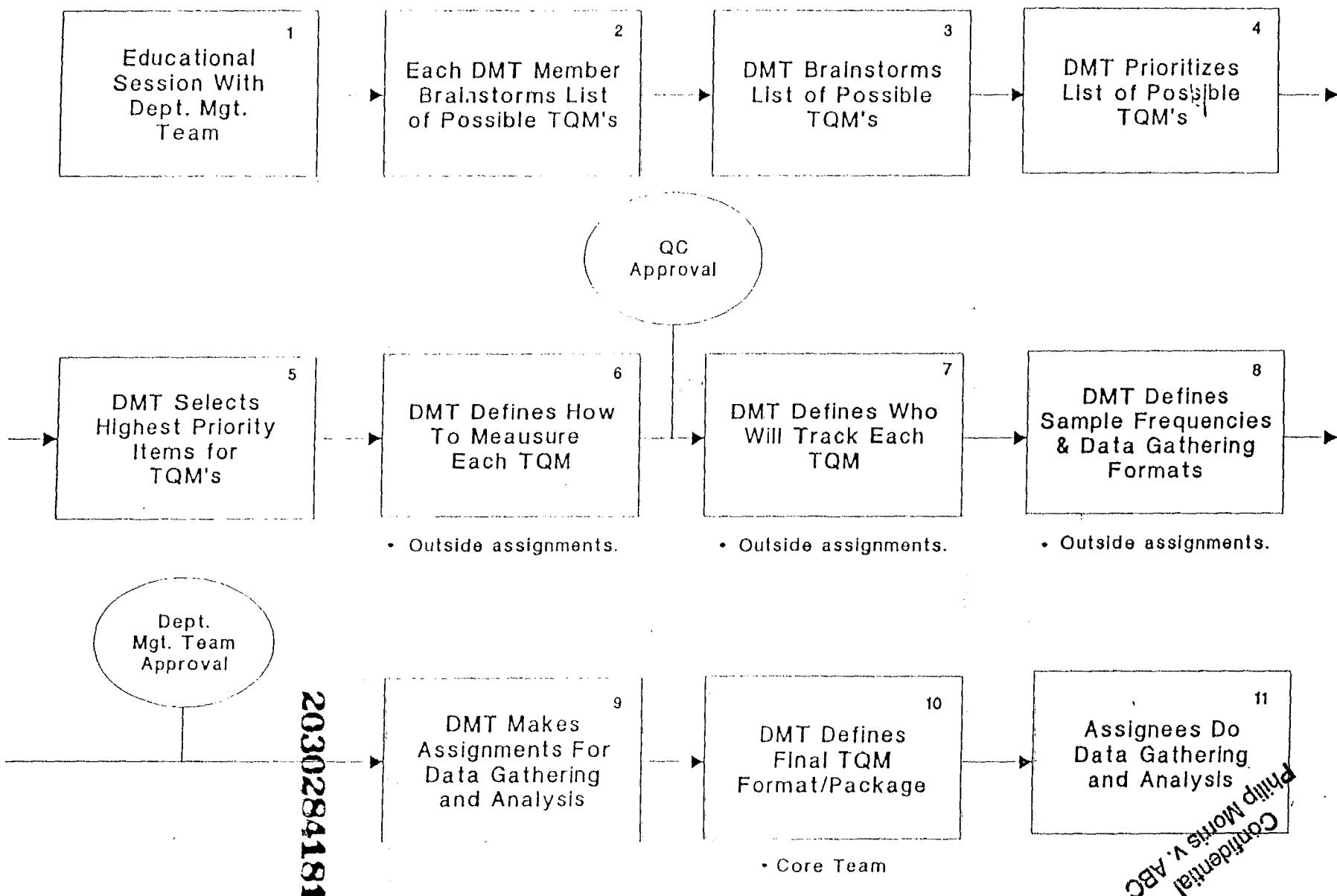
Why Are Department TQM's Needed Now?

- There are many activities going on now within the department
 - Are we spending our time, money and resources on the most important things?
 - Are we able to measure how well these activities are improving the most important things?
- PM USA seems to be taking a closer look at some traditional measures, such as cost, than ever before. So should we.
- While the department SPC Systems are being developed, the department TQM's (in addition to RL TQM's) can drive the Control and Improvement activities within the department.

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Development of Department TQM's



Brainstorming Criteria (Blocks 2 & 3)

- Be creative.
- Don't worry about "how measured".
- Include cost measures.

Screening Criteria (Block 4)

- Is this a measure of our department's performance?
- Will the measure signal the need for improvement or demonstrate achieved improvements?
- Is this measure in the department's control?
- If this data trended high or low, would we know if that is good or bad?
- Is occurrence of this condition too sporadic to measure?
- Is there a long term need to continually monitor this data or is it measuring a problem that may be solved on short term?

How Do You Know If You've Got It (Block 5)

The DMT is willing to accept the premise that 98% of the work in this department is driven by a TQM (Department/RL/Plantwide). If this is not true, what TQM's are missing?

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2030284182

Park 500

INTER-OFFICE CORRESPONDENCE

CHESTER, VIRGINIA

To: Superintendents

Date: June 24, 1993

From: Total Quality Superintendents

Subject: Plantwide PDCA Documentation Filing System Process

Philip Morris v. ABC
Confidential

The QC has recently approved that all PDCA Documentation and C&I Close-Out Reports be sent to Denise Nosal, Communications Coordinator.

Park 500 will be utilizing the Plantwide PDCA Documentation Filing System in order to:

- Facilitate research and investigations by future teams,
- Reduce redundancy in manpower and paper work,
- Have centralized historical records, and
- Have real examples for PDCA training.

This centralized location will be accessible to all plant personnel.

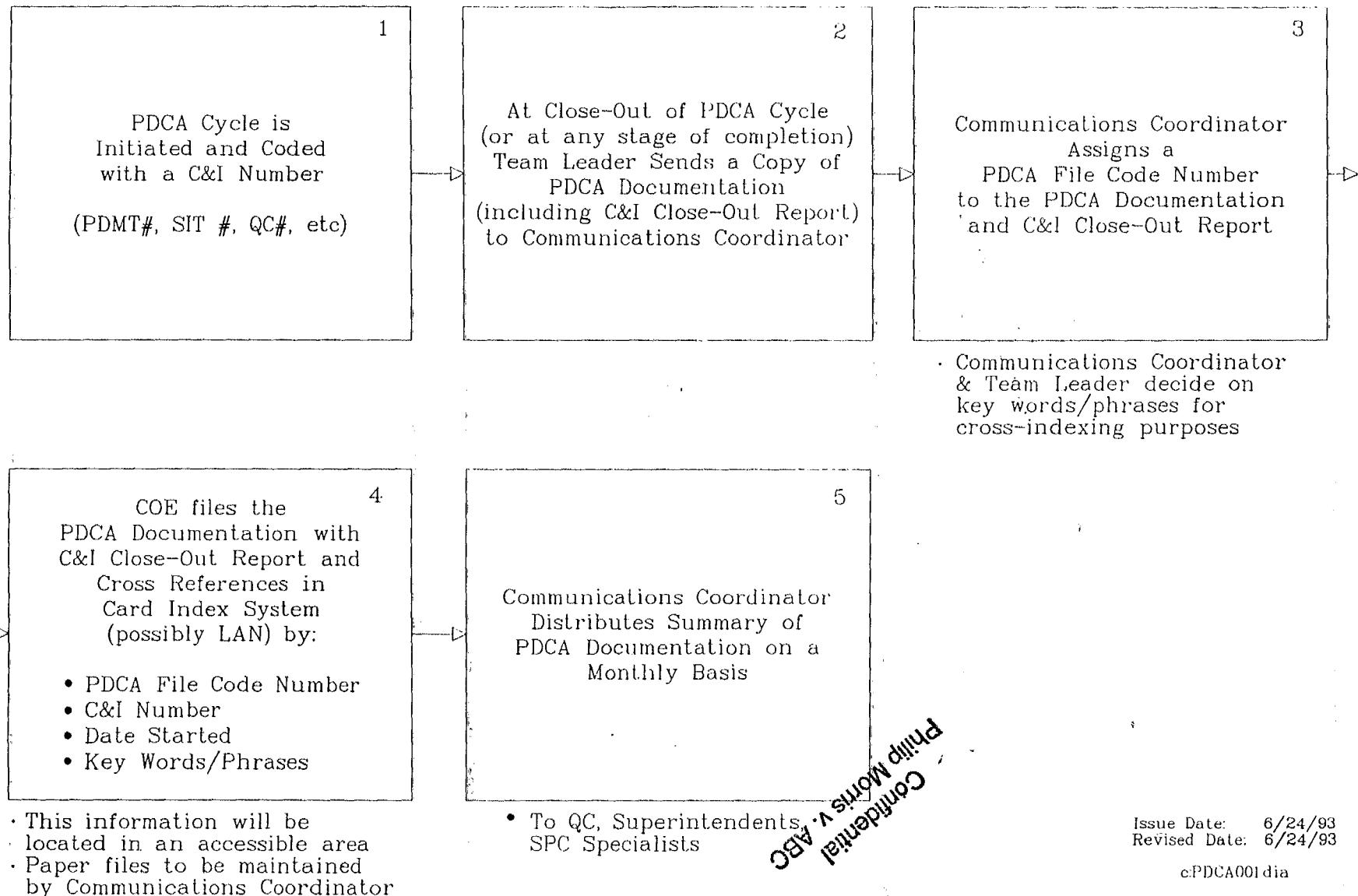
Please ensure that all PDCA Problem-Solving Teams and C&I Teams send appropriate close-out reports and PDCA documentation to Denise Nosal.

The process for obtaining materials from the Plantwide PDCA Documentation Filing System is being developed. In the meantime, you should contact Denise Nosal for assistance in obtaining these materials.

Review the attached Plantwide PDCA Documentation Filing System Process; if you have any questions, contact Craig (1930), Cherri (2104), Paul (1874), or Denise (3329).

2030284183

Plantwide PDCA Documentation Filing System Process



Issue Date: 6/24/93
Revised Date: 6/24/93

c:PDCA001.dia

C & I
Close Out Report

C & I Plan #	<hr/>	<i>Confidential Philip Morris v. ABC</i>
Problem Statement		
Start Date		
Problem-Solving Objective		
Was the Objective Met?		
Team		
Solutions and Date Implemented		
Measures of Effectiveness Before		
Measures of Effectiveness After		
TQM's Affected		
What are Expected/Realized Benefits?	2030284185	
Close-Out Date		

**Definitions for Information on C & I Plan
Close-Out Report**

Problem Statement	Problem statement used by problem-solving team - the same one stated on C & I Plan.
Start Date	Date that the DMT or SIT assigned the team leader/team to begin problem solving.
Problem-Solving Objective	May have been assigned by the DMT or SIT OR may have been decided on by the problem-solving team and agreed to by the DMT or SIT.
Was the Objective Met?	Was the team successful in meeting their problem-solving objective? If not, why not?
Team	Team leader and participants in problem-solving effort.
Solutions & Date Implemented	Brief description of the solution(s) implemented and the date(s) of implementation.
Measures of Effectiveness Before	Process performance measures which caused Park 500 to know how big this problem was before resources were assigned to the problem-solving effort.
Measures of Effectiveness After	Process performance measures, taken after solution implementation, which demonstrate the degree of success this team has had at meeting its objective (Same parameters measured before problem-solving effort was initiated.)
TQM's Affected	Identify specific TQM(s) affected and attach copy of updated TQM(s).
What Are Expected/Realized Benefits?	Are there any expected or realized benefits that would pertain to this problem-solving effort? (Brief, concise explanation)
Close-Out Date	<p>Date team was disbanded because:</p> <ol style="list-style-type: none"> a. Objective was accomplished. b. DMT or SIT has decided not to pursue this objective any longer (e.g., other problems have higher priority or improvement made is sufficient even though objective was not attained).

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USE PDCA TOOL KIT MANUAL FOR

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- TRAINING MATERIALS
- COACHING GUIDE
- REFERENCE
- PDCA DOCUMENTATION FORMS

2030284187

CONTROL & IMPROVEMENT PLAN

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Confidential

When a department becomes fully involved in a Total Quality Initiative there is a tendency to want to work on and improve everything at once. But there are always more problems and opportunities than time to work on them, or resources to allocate to them.

Each department is gaining the capability to understand and measure its need to improve. Customer feedback, internal brainstorming and process knowledge is generating information upon which to prioritize improvement needs. Department management can fulfill its responsibility to improve by using existing data and assigning resources to address the most urgent needs. A planning tool called the Control and Improvement Plan (C&I) is a particularly effective method of managing the improvement process.

Definition of C&I Plan

A management and communication tool to systematically prioritize work, assign and balance the use of resources and monitor problem-solving progress for the purpose of improving department processes, products, services, productivity, worklife (safety) costs, and the control and maintenance of the RL process.

What Goes On The C&I Plan?

- Process Control (or Standard) Problems
- Department Product Improvement Efforts
- Worklife Improvement Efforts
- Safety Improvement Efforts--Work Process Analysis (WPA)
- Cost/Productivity Improvement--Department Processes
- New Departmental Product Development
- Principles Teams (Q500) Principles Nonconformances)

[The problem-solving efforts shown on the Plan could reflect either individual or C&I Team efforts]

How Do Items Get On the C&I Plan?

DMT PRIORITIZATION AND APPROVAL OF ISSUES FROM:

- Review of Plantwide, RL and Departmental TQM's
- Customer feedback (internal and external)
- SPC System outputs
- Periodic department brainstorming of operating problems
- External Philip Morris demands
- QC, DMT/Department Superintendent Recommendation

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GUIDELINES FOR IDENTIFYING NEW MDMT C&I ISSUES ADDRESSING SPC SYSTEM CONTROL AND MAINTENANCE

QUESTION	ANSWER	DECISION
1. Is this a problem with control and maintenance of the RL Process SPC System?	Yes - ask Question 2	No - this problem is a potential SIT (or other department) C&I issue.
2. Is the problem sporadic or has it become chronic? *Distinguish between lingering and chronic. Lingering condition has existed for a long period of time, but we have not addressed the issue (could be sporadic).	Sporadic - ask Question 3	Chronic - this is a potential SIT C&I issue.
 *Chronic condition has persisted even though we may have implemented a number of solutions which should have resolved the issue permanently.		
3. Is there quantifiable, readily available evidence of the problem? Why quantifiable? This will give the DMT an idea of how big the problem is relative to other problems which can be addressed by the same resources.	Yes - document evidence and ask Question 4.	No - make assignment to measure and document evidence, then ask question 4.
4. Relative to all problem which we could be addressing "at this time" is it important to address this issue (to include this issue as part of our plan for continuous improvement)?	Yes - this is a POTENTIAL Department Management Team C&I item.	No - delete this issue from the list of Potential Department Management Team C&I items. If this issue does become important enough to address (more evidence, a cause on several C&I Team cause and effects, multiple occurrences), we can always make a different decision about including the problem - when evidence is strong enough!

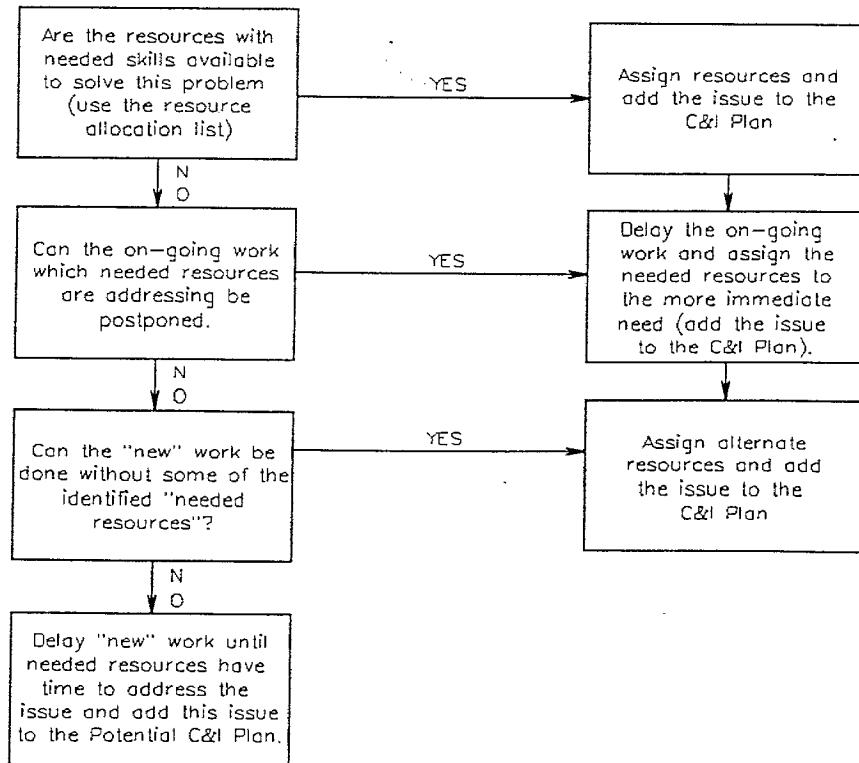
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GUIDELINES FOR REACHING CONSENSUS AGREEMENT TO THE ORDER FOR ASSIGNING NEW ITEMS TO THE MDMT C&I PLAN.

1. Combine into one list the most important area problems which have been identified as potential C&I Issues (overall list will be limited to 12 or fewer issues).
2. The proponent of each issue lobbies for that issue in a round table discussion of all items to be considered.
3. Multivote the list from #1 in order to get a general priority order of importance.
4. Beginning with the top priority issues, use the decision tree to choose additional C&I Issues to be addressed.

DECISION TREE FOR CHOOSING ADDITIONAL C&I ISSUES TO BE ADDRESSED



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Definitions for Information on C & I Plan
Close Out Report

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Problem	Effect statement used by problem-solving team - the same one stated on C & I Plan.
Start Date	Date that the DMT or SIT assigned the team leader/team to begin problem solving.
Problem Solving Objective	May have been assigned by the DMT or SIT OR may have been decided on by the problem-solving team and agreed to by the DMT or SIT.
Team	Team leader and participants in problem-solving effort.
Solutions and Date Implemented	Brief description of the solution(s) implemented and the date(s) of implementation.
Measures of Effectiveness Before	Process performance measures which caused Park 500 to know how big this problem was before we assigned resources to the problem-solving effort.
Measures of Effectiveness After	Process performance measures, taken after solution implementation, which demonstrate the degree of success this team has had at meeting its objective. (Same parameters measured before problem-solving effort was initiated.)
TQM Impacted	Identify specific TQM(s) impacted and attach copy of updated TQM(s).
Close Out Date	Date team was disbanded because: <ol style="list-style-type: none">Objective was accomplished.DMT or SIT has decided not to pursue this objective any longer (e.g., other problems have higher priority or improvement made is sufficient even though objective was not attained).

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C & I
Close Out Report

C & I Plan # _____

Philip Morris v. ABC
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AQP Code _____

Problem

Start Date

Problem Solving

Objective

Team

Solutions
and Date
Implemented

Measures of
Effectiveness
Before

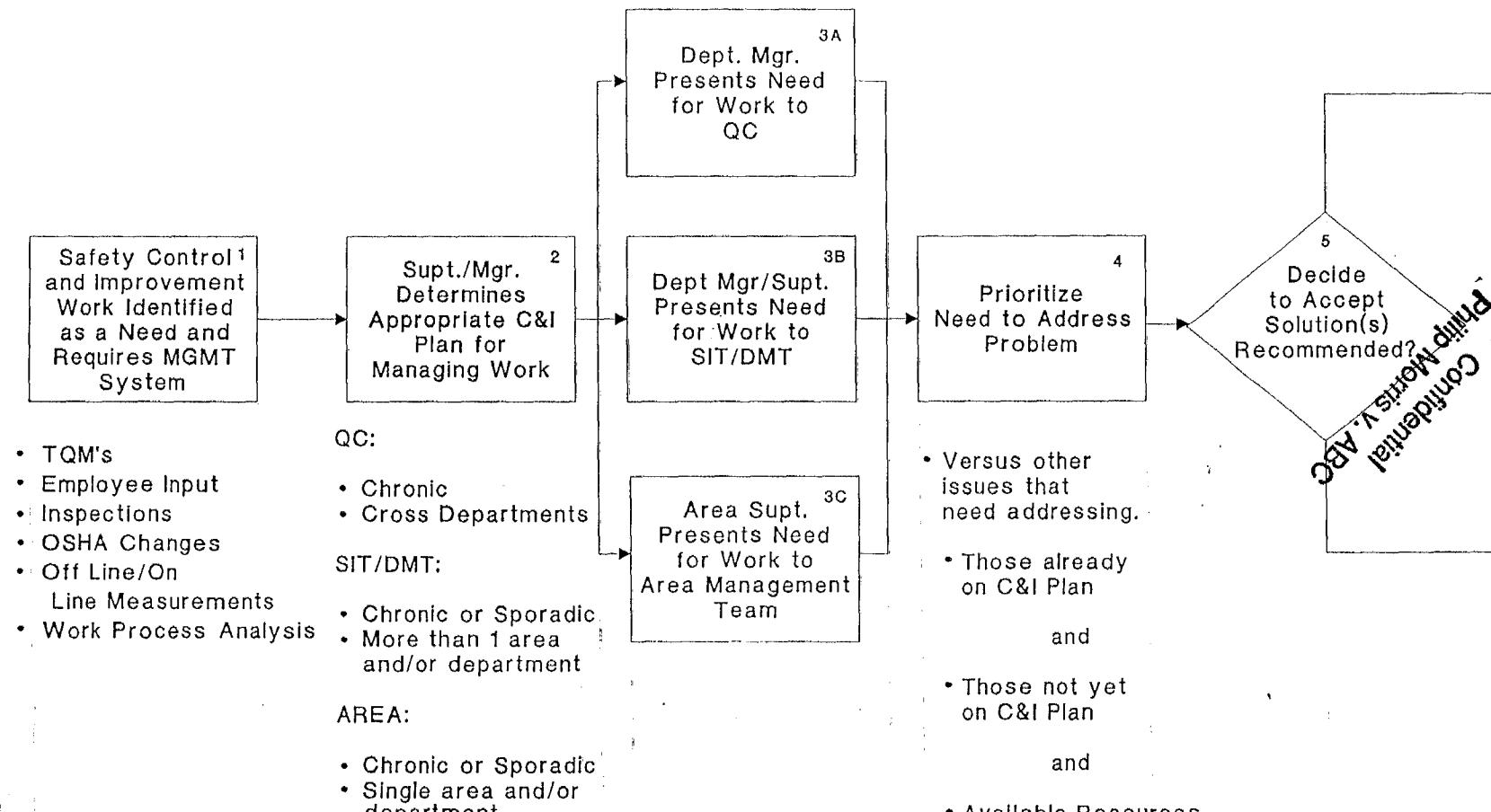
Measures of
Effectiveness
After

TQM's
Impacted

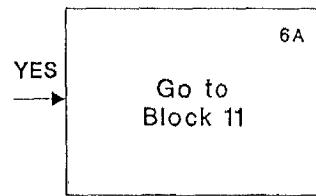
Close Out Date

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PROCESS FOR ASSIGNING/MANAGING PROBLEM SOLVING UTILIZING C&I PLANS

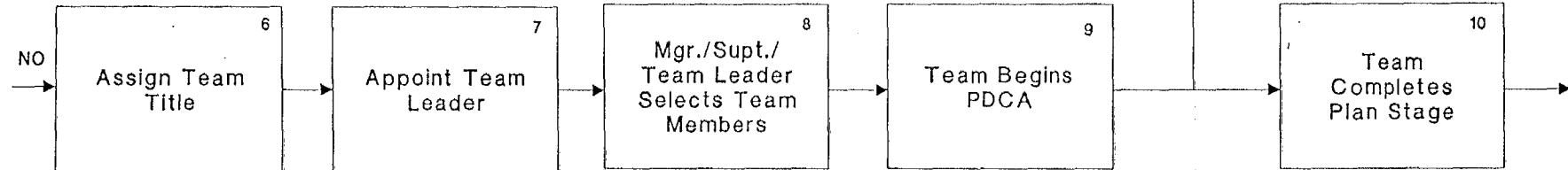


PROCESS FOR ASSIGNING/MANAGING PROBLEM SOLVING UTILIZING C&I PLANS



Includes

- Action plans for accident/Incident investigation
- Resolutions not requiring PDCA study



- Name of Team doing work
- Should reflect the original need
- Team Leader receives training, if needed
- Review this flow diagram
- Ensure Leader is knowledgeable of expectations
- Establish team starting date
- Establish team status
- Review dates (minimum monthly)

- Develop a list of needed skills
- Select team members according to resource availability and needed skills
- Notify team members of first meeting

- Leader provides orientation
- Establish regular meeting schedule
- Team defines (clarifies) problem statement
- Problem statement should reflect the original need

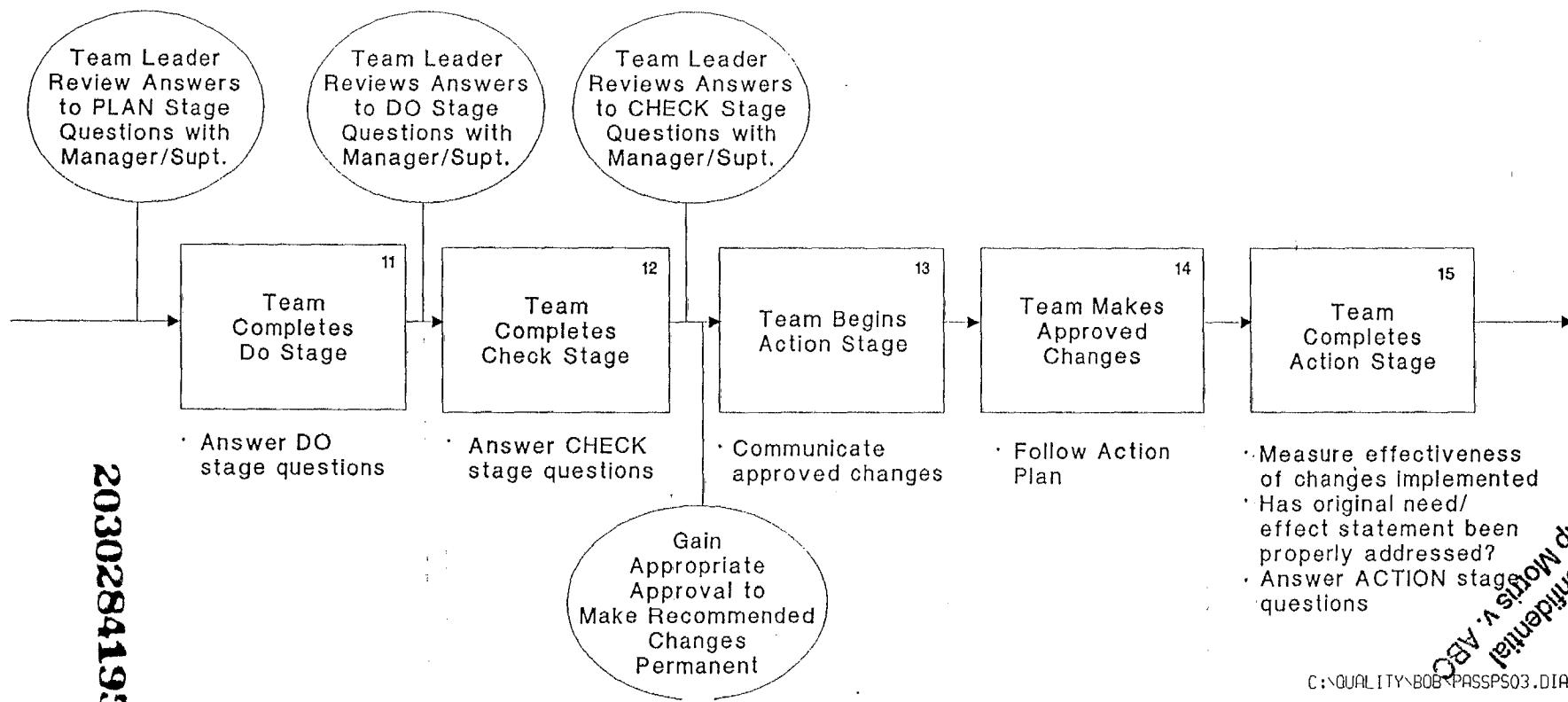
- Answer PLAN stage questions

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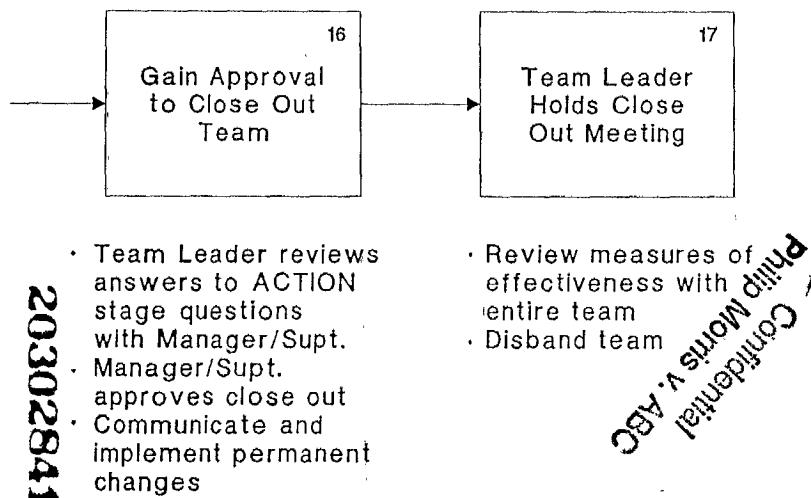
Team Leader
Reviews Problem
Statement with
Manager/
Supt.

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PROCESS FOR ASSIGNING/MANAGING PROBLEM SOLVING UTILIZING C&I PLANS



PROCESS FOR ASSIGNING/MANAGING PROBLEM SOLVING UTILIZING C&I PLANS



TQI Departmental Approaches To Improvement

Improvement Approach	Key Points	Criteria	Initiated From
Principles Teams	<ul style="list-style-type: none"> • Ad-hoc team formed to solve problem • 2-5 people • As needed, only a few teams at any one time • Formed by Department Management 	<ul style="list-style-type: none"> • Department practices, procedures, methods which do not conform to Q500 Principles • Worklife 	<ul style="list-style-type: none"> • Periodic brainstorming sessions by department members • Department Management • Input received by Supervisors
SPC Systems	<ul style="list-style-type: none"> • Several systems were developed to begin with—high impact, high customer need • Routinely form team to develop additional systems based on customer need • Multi-level team of 2-5 people established by Department Management 	<ul style="list-style-type: none"> • Problem you are trying to solve is customer product problem or a Department process problem • Problem is: <ul style="list-style-type: none"> • chronic, • variation is unacceptable, • clearly defined and multiple-step process involved, • showing a tendency to reappear 	<ul style="list-style-type: none"> • Customer TQFA results • Departmental TQM's • Plant Management • Original list of department operating problems from brainstorming
Control & Improvement Problem Solving	<ul style="list-style-type: none"> • Deliberate plan established and managed by Department Management Team • Several, simultaneous teams of 2-5 people established • Use PDCA • Plan constantly updated/refreshed, based upon accomplishments and needs 	<ul style="list-style-type: none"> • Customer product, Department process or safety problem • Problem you are trying to solve is: <ul style="list-style-type: none"> • sporadic, • demonstrating unacceptable performance level, • part of a simple process, • if fixed—problem likely to stay fixed, • likely to be resolved in one/few steps. 	<ul style="list-style-type: none"> • Customer TQFA result • Departmental TQM's • Department SPC Systems • Plant Management • Customer complaint

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TQI Departmental Approaches To Improvement

Improvement Approach	Key Points	Criteria	Initiated From
Individual Problem Solving	<ul style="list-style-type: none">• Could be self-initiated by Supervisor, or Department Management Team• Same approach/tools as team C&I Problem Solving	<ul style="list-style-type: none">• Customer product, Department process or safety problem• Problem you are trying to solve is:<ul style="list-style-type: none">• sporadic,• demonstrating unacceptable performance level,• part of a simple process,• likely to stay fixed once it is addressed,• likely to be resolved in one/few steps.	<ul style="list-style-type: none">• Supervisor/Specialist using off-line SPC Parameters• Department TQM's• Customer Complaints

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ABC

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COQ Input Brainstorming Sessions

- o Review of COQ definition and the four categories
- o Free Form brainstorming (No prioritization)
 - Focus on Area Specific Inputs (some overlap OK)
 - TQM's are likely place to start (e.g. deviation above std. usage)
 - Collect more than we need (consolidated in next step)
 - Consider "Ease of Capture" as input critieria
- o Next Step - Roll up categories for review with QC

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Source: Philip Morris Inc.

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COQ Categories

PREVENTION: Costs incurred to avoid process/product quality problems or reduce sources of system variation

APPRAISAL : Costs associated with measuring, evaluating or auditing products, processes, work-in-progress materials & equipment

INTERNAL

FAILURES: Costs resulting from defective products found prior to shipment or resulting from routine variation of process/ raw materials

EXTERNAL

FAILURES: Costs resulting from deficiencies in product **AFTER** shipment.

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Philip Morris V. ABC
Cigarette Tax

Cost Of Quality

DEFINITION: All costs incurred because our processes, products, services & worklife are not the highest quality. Since we have extra variation in our processes, we incur extra cost.

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WHY ARE WE REVISITNG COQ?

- Outputs from original COQ System not well received (perceived as a departmental cost audit system).
- Better data now available to capture "true" COQ.
- Provide an additional tool for prioritizing improvement efforts
- One of the last unfinished lines on the MQP.

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WHAT IS THE COST OF QUALITY?

Definition: All costs incurred because our processes, products, services & worklife are not the highest quality. Since we have extra variation in our processes, we incur extra cost.

- COQ is a system to capture Total Quality in \$.
- Measure of effectiveness for indicating long term success of Q500.
- Will provide a vehicle for prioritizing areas for plantwide and departmental quality improvement activities.
- Will measure the effectiveness of SIT C&I efforts, Project Teams, Department DMT's, Supplier System and SPC Systems.

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"TRADITIONAL" VERSUS TQI LOSS FUNCTION CONCEPT

TRADITIONAL VIEW:

- "If it ain't broke, don't fix it".
- The process satisfies our requirements or expectations, regardless of variability and we assume no dollar loss.
- Example - Because all product is in spec for PG, there is no "loss" to Park 500.

LOSS FUNCTION VIEW:

- Deviation from target cost dollars.
- Variability creates unnecessary problems, reduces effectiveness of all resources (people, equipment and material) and increases operating costs.

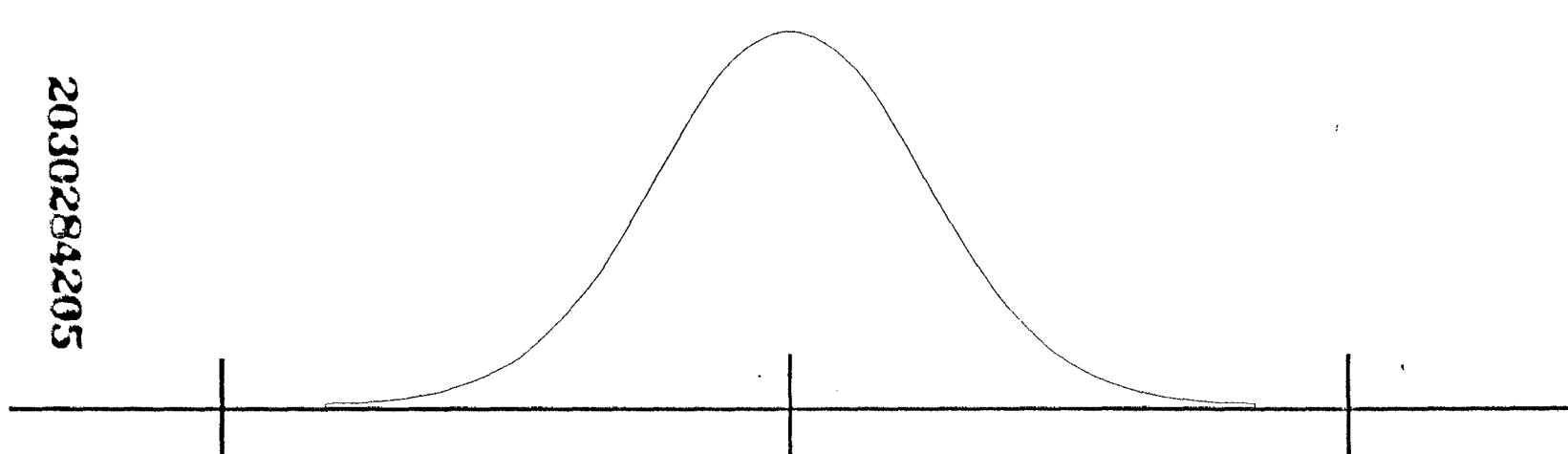
Example - When PG in finished product goes out of control high for any time period, what is the cost?

Example 1: Finished Product PG

The current spec for finished product PG is $3.0 \pm .50$.

After standardization the current level of variation is $s = .12$, $3s = .36$,
or performance of $3.0 \pm .36$.

Philip Morris V ABC
Continental



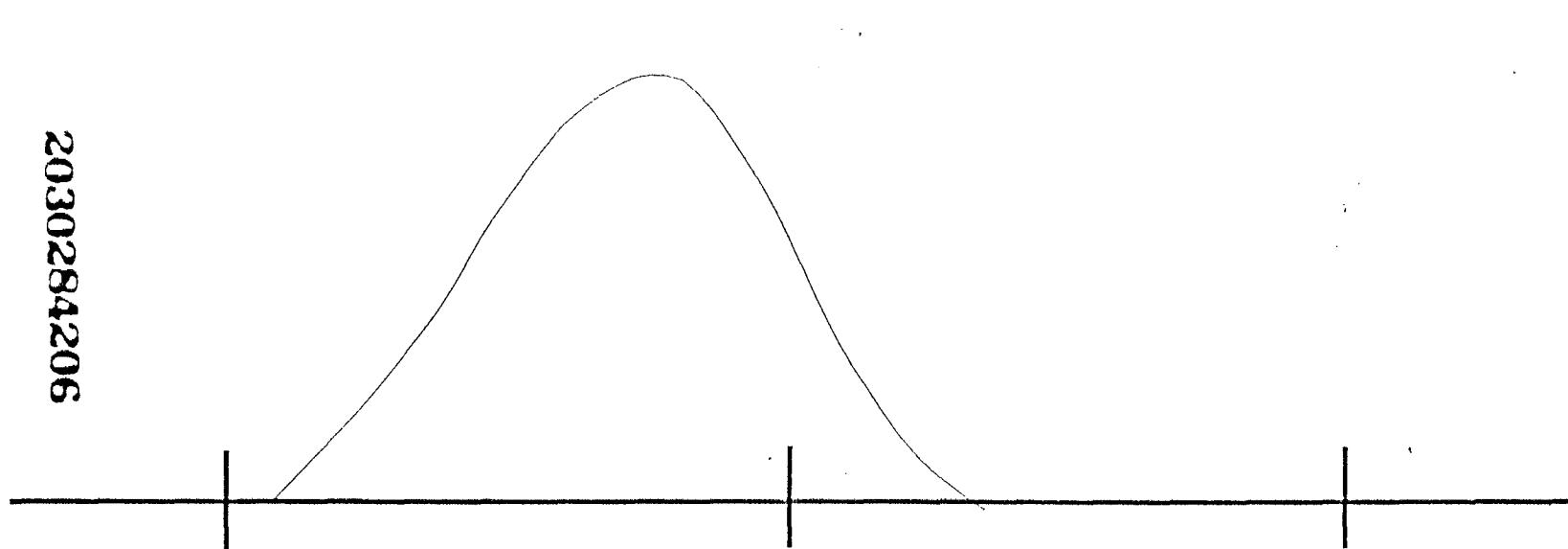
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3/5/93

Step 1:

To take advantage of current level of variation, process could be centered at 2.86 and make all product in spec and realize an annual savings of \$53,087.

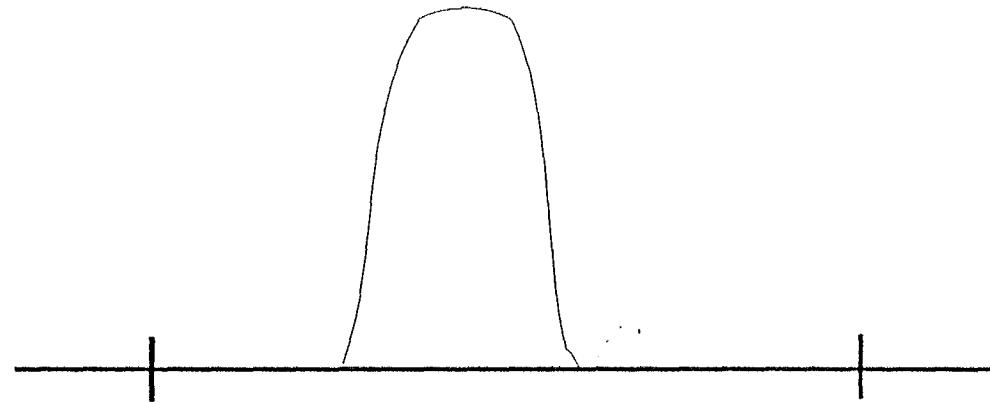
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Simplifying
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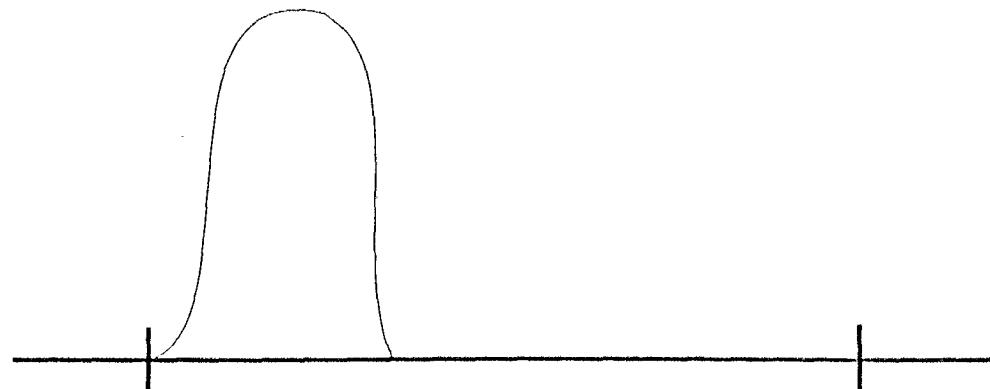
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Step 2:

Through the SPC system, bring the process into control a large portion of the time. This would mean $S = .05$ or a typical spread (3sd) around target of $+/- .15$.



This would allow us to reduce the target to 2.65. This would allow for an annual savings of \$84,939.



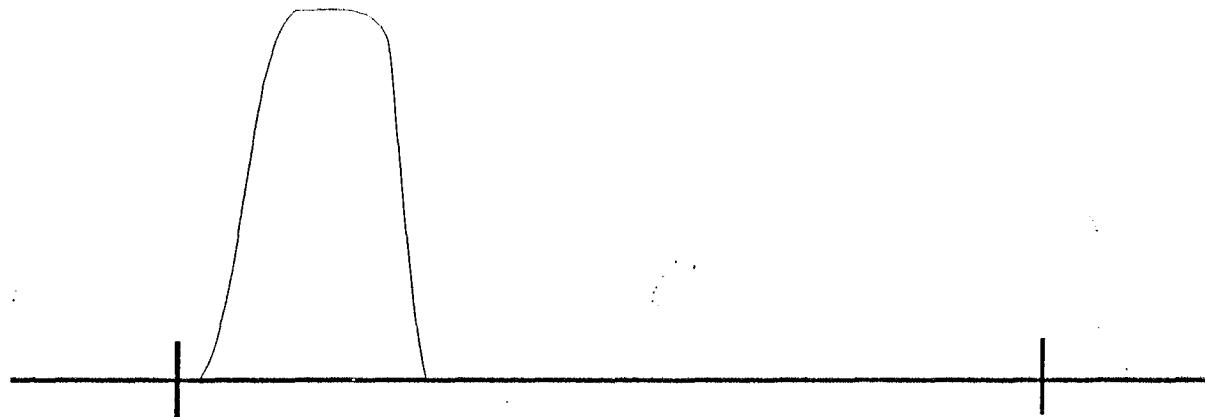
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Step 3:

Reduce typical system variation by 1 standard deviation. Now $3s = .10$. Adjust center line to 2.60. This would result in net savings of \$12,387 annually.



Thus, the total potential savings of standardizing, controlling and reducing system variation for this one parameter is:

\$ 53,087
\$ 84,939
\$ 12,387

\$ 150,413

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Summary: If we had taken the traditional view that because very little product has been rejected or out of spec-PG, there is very little loss associated with this parameter therefore we would not spend any time working on this variation. However as we see with the diagram below, working at variation through the series of 3 steps will result in significant permanent savings to the plant.

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3/5/93

COST OF QUALITY CATEGORIES

PREVENTION: Costs incurred to avoid process/product quality problems or reduce sources of system variation

EXAMPLES:

- Labor costs for improvement efforts (SIT, DMT, C&I Teams, DI Teams, QC, Etc)**
- Customer/Supplier coordination expense**
- Training department costs**
- Preventative Maintenance cost and associated downtime**
- Incoming raw materials testing**
- Engineering costs associated with process improvement projects**

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ASC

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COST OF QUALITY CATEGORIES

APPRAISAL COSTS: Cost associated with measuring, evaluating or auditing products, processes, work-in-process materials & equipment

EXAMPLES: QA labor costs, Lab equipment (depreciation, maintenance materials costs) On-line measurement equipment (QB's, weighbelts, etc), Product loss due to destructive testing, Inspection of work-in-process

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Conditions v. ABC

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COST OF QUALITY CATEGORIES

INTERNAL FAILURES:

Costs resulting from defective products found prior to shipment or resulting from routine variation of process/raw materials

EXAMPLES:

All broke rejects, Excess usage vs. standard for additives, OTM, Steam, Coal, Oil, Electricity, Refiner Plates, Machine Clothing, Grievances (admin. costs to resolve), Absenteeism coverage, Refeed costs, Unscheduled DT, Line speed slow down, Accidents, Cost of Workman's Comp., Cost of expediting repairs

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COST OF QUALITY CATEGORIES

EXTERNAL FAILURES:

Costs resulting from deficiencies in product found AFTER shipment

EXAMPLES:

Includes shipping of returned product, Customer field services, Cost transfers for damaged equipment, Reprocessing costs, Travel expense

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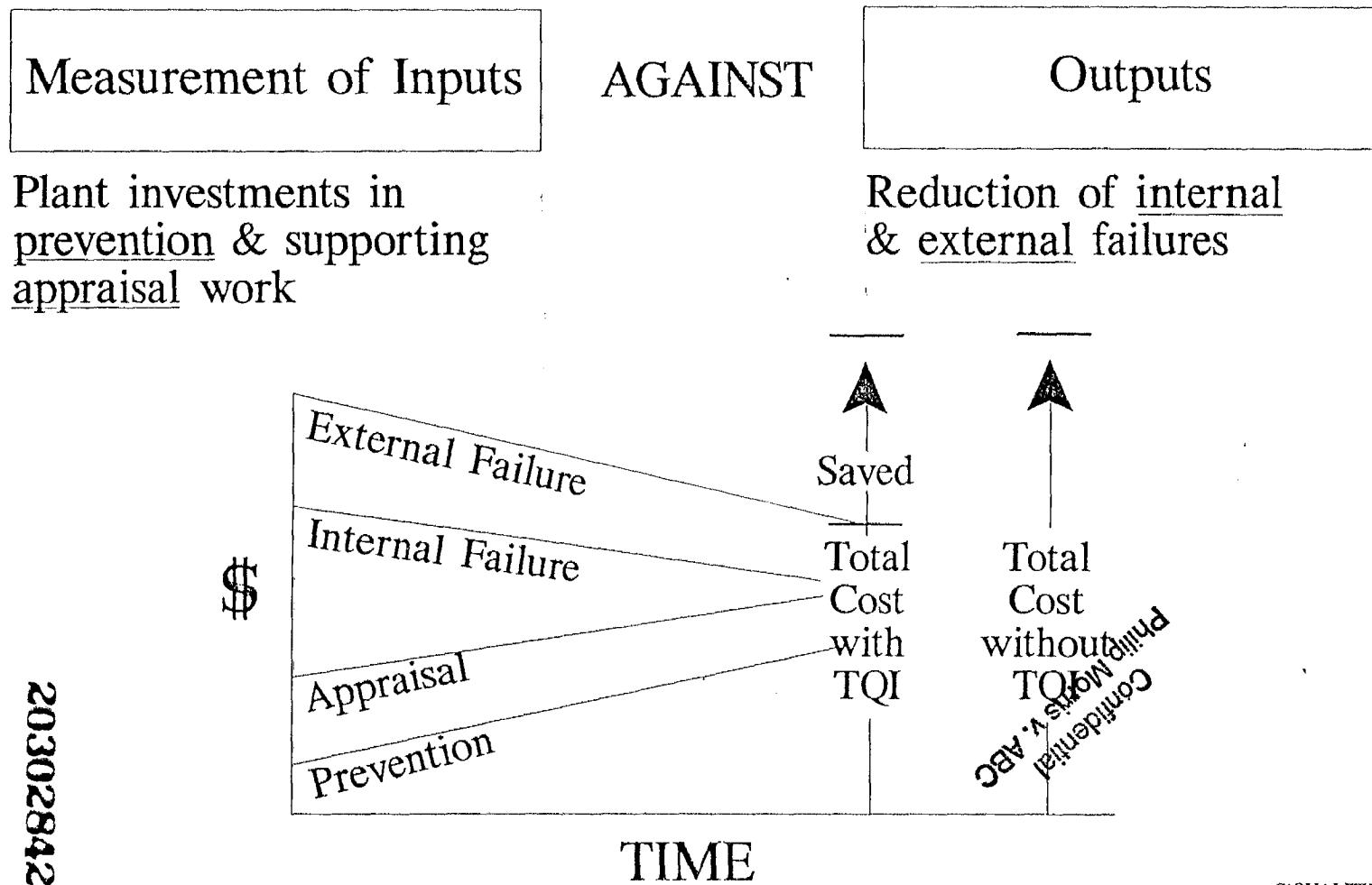
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COST OF QUALITY INPUTS							
Code	PREVENTION COSTS:	DESCRIPTION	SOURCE	#	UNITS	\$/UNIT	COQ
							% of Total
P1	Conformance to Government Regulations	Cap Project Depreciation	PP&E	12550	All Projs	1	\$12,550 1.9%
	Cost Of Training Activities						
P2	o CBE	Sal & Hrly labor costs	WRV	12,250	Hrs.	\$23	\$281,750 42.6%
P3	o Other	Mannuals/printing/supplies	WRV	25,655	All Costs	\$1	\$25,655 3.9%
	Q500 Implementation Costs						
P4	o Supplier System	Sal labor/travel/software	CY	150,000	All Costs	\$1	\$150,000 22.7%
P5	o Project Teams	Sal labor/materials	JB	28,500	All Costs	\$1	\$28,500 4.3%
P6	o DI Expenditures	Sal labor/materials	U55 Bud	68,000	All Costs	\$1	\$68,000 10.3%
P7	% of Lab Services Dev from Budget	25%	U53 Bud	55,000	All Costs	\$1	\$55,000 8.3%
P8	Preventative Maintenance	Maint Labor for PM	U86 Bud	39,500	All Costs	\$1	\$39,500 6.0%
	TOTAL PREVENTION						\$660,955

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BENEFITS TO PARK 500



START DATE: _____

CLOSE OUT DATE: _____

PDCA PROBLEM SOLVING DOCUMENTATION

AREA _____

TEAM LEADER _____

TEAM MEMBERS _____

PLAN - Problem:

Evidence:

Objective:

Measure of Improvement:

DO - Possible Cause(s):

2030284216

PDCA PROBLEM SOLVING DOCUMENTATION
Page Two

Proposed Solution(s) :

Implementation Plan:
(include dates)

CHECK - Measurement Results:

ACT - Permanent Changes Made:

gn/a:a17.wge

2030284217

C & I
Close Out Report

C & I Plan # _____

AQP Code _____

Problem

Start Date

Problem Solving

Objective

Team

Solutions

and Date

Implemented

Measures of

Effectiveness

Before

Measures of

Effectiveness

After

TQM's

Impacted

Close Out Date

DEPT: _____
DATE: _____

**PROPOSED TQM
Quality Plan**

Purpose of this measure: _____

Proposed TQM Measure	Monitoring Method	How Measured	Units	Who	Monitoring Frequency	X	UCL	CL	CL-X

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